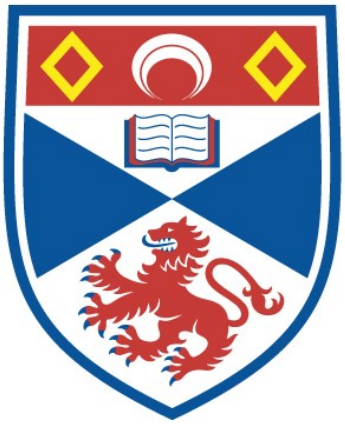
THE SCOTTISH ECONOMY AND THE POST-WAR BRITISH GOVERNMENTS, 1945-1951

Cecelia Gay Miller

A Thesis Submitted for the Degree of MPhil
at the
University of St Andrews



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May 1982

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Dedicated with love

to my family -
Daddy, Mother, Kyle and Celesta

and to Gordon.

The Scottish Economy and the Post-War British Governments, 1945-1951

Abstract

The Scottish economy following the Second World War was faced with a multiplicity of problems : shortages of housing, skilled labour and raw materials, a declining share of the world market in their heavy industries and a higher unemployment level than Great Britain as a whole. The 1945-1951 years were a time of transition, not only from war to peace-time but also an adjustment to the continuation of war-time controls into peace-time. The 1945 Government retained a much greater amount of centralised power than had been the case following the First World War in 1918.

The new Labour Government elected in July of 1945 had pledged itself to various sweeping social and economic reforms, such as nationalisation of many 'basic' industries. Attlee's Government was elected in 1945 on the crest of enthusiasm, a widespread feeling among Labour voters that a new age of Government responsibility was about to dawn. The Beveridge Report with its promise of 'freedom from want' and the Keynesian goals of 'full employment' and comprehensive social security were to be carried out largely with the aid of fiscal and monetary policy.

The Scottish economy was mainly concentrated on very heavy industry - the so-called declining industries of coal, iron and steel and shipbuilding, with some very light industry such as textiles, especially jute. Through Regional Planning an attempt was made to

bring new and light industry into Scotland. This was to be done by various means such as New Towns, Overspill, Development Areas, Industrial Estates, and Industrial Development Certificates. This thesis will thus attempt to analyse the 1945-1951 Scottish economy with special attention to employment, housing and industry. The relevant post-war Government economic policies will then be examined in this context.

I, Cecelia Miller, hereby certify that this thesis has been written by me, that it is the record of work carried out by me, and that it has not been submitted in any previous application for a higher degree.

Signature

3 May 1982

Date

I was admitted as a research student under Ordinance No.12 on 1 October 1980 and as a candidate for the degree of M.Phil. on 29 April, 1981; the higher study for which this is a record was carried out in the University of St. Andrews between 1980 and 1982.

Signature

3 May 1982

Date

I hereby certify that the candidate has fulfilled the conditions of the Resolution and Regulations appropriate to the degree of M.Phil. of the University of St. Andrews and that she is qualified to submit this thesis in application for that degree.

Signature of Supervisor

3 May 1982

Date

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CHAPTER FIVE

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List of Abbreviations

G.H.T.R.	Glasgow Herald Trade Review
I. and E.	Industry and Employment in Scotland
L.D.I.S.	Scottish Council (Development and Industry), Report of the Committee on Local Development in Scotland
S.E.C.S.	The Clydesdale Bank Ltd., Survey of Economic Conditions in Scotland

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Introduction

This thesis will attempt to analyse employment, housing and industry in the Scottish economy between 1945 and 1951, in the context of British Labour Government policy, for example, nationalisation and regional policy. Most of the social innovations of these years, such as National Health, will only be mentioned in passing. The focus is the economy, with a strong concentration on industry; post-war policies regarding such issues as New Towns and factory building will then be examined in this light.

The immediate post-war years were ones of crisis and change for the British economy as a whole. In July 1945 a Labour Government led by Clement Richard Attlee replaced Winston Churchill's Coalition Government of the war years. It was under the Coalition Government that many of the major economic and regional policies for the post-war period were formed, having the benefit of input from members of all the political parties. Therefore the subsequent achievements and problems of the economy cannot be attributed to or blamed solely on the Labour Government in power : equally, it would be wrong to imagine that the course of events, 1945-1951 was preordained by decisions taken in wartime. This is as true of Scotland as it is of Great Britain as a whole, though the added factor here is that under the Coalition Government Scotland had an energetic Labour Secretary of State, Tom Johnston, who gained support from all parties and from all sections of industry for a more emphatically Scottish approach to the problems of the Scottish economy. This perspective was not necessarily the dominant one under the Labour Governments, but once having been gained it was not altogether lost.

Scotland after 1945 was first faced with the challenge of converting a war economy to a peace-time one. This was a particularly difficult problem here (compared to England) because she was very heavily dependent on 'basic' industries, notably coal, iron and steel and shipbuilding. These industries had come into their own once more during the war and were almost fully employed on war production although their capacity had been considerably reduced as a result of the rationalisation schemes of the inter-war period.[1]

The end of war brought reductions in orders in both heavy and light industry, the massive demobilisation of the armed forces, and other similar changes that signalled the transition from a war-time to a peace-time economy. For some industries not involved in munitions production, this caused little change as the nature of their output was not affected. But numerous factories had been remodelled for specific war-time uses or had had their plant dismantled, which made reconstruction a tedious and painstaking task.[2] There also arose at this time a pressing demand for consumer goods that had been impossible to obtain during the war. But shortages of food, petrol, building materials, etc., meant that rationing - both industrial and consumer - continued into the immediate post-war years. All of the main industries were hampered by major shortages in fuel, raw materials and skilled labour, which were basically obstructive to growth and redevelopment in the Scottish economy, and were typical of the problems that the Government was forced to confront. But before we can discuss these and similar

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1. S.E.C.S., 1946, pp.3-4.
2. Ibid., p.4.

matters it is necessary to assess the general background of the economic policies pursued by the Labour Governments between 1945 and 1951.

Chapter One

The British Governments' Economic Policy, 1945-1951

1. Problems Facing the Labour Government After 1945

(i) Reconstruction

Not only did Britain have to recover in 1945 from the actual physical damage inflicted by bombing, but it had to begin to compensate industrially for the loss of increased production which would have been generated had Britain been at peace from 1939-1945. Thus, reconstruction was a major priority for the British economy. Much of the Labour Government's post-war economic programme was constructed with the aim of improving the efficiency and output of the British manufacturing industries.[1]

Many factories had been 'concentrated' during the war. These firms had been asked, or failing that compelled, to manufacture in place of, or in addition to, their own product some item which contributed to the war effort.[2] Much civilian production was simply forbidden, especially building. Most factories had been converted for some type of war-time use and in 1945 with the conclusion of the war needed to be reconverted for normal production.

During the Second World War itself official thought was being given to how Britain could deal effectively with post-war reconstruction. A December 1944 'Bulletin of the Institute of Official Statistics' by M. Kalecki predicted on the basis of 'assumptions about post-war levels of prices and taxation' an estimate of a 'transition' period of two or

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1. Allan G. Gruchy, Comparative Economic Systems, (Boston, Houghton Mifflin Company, 1966), p.477.
2. J. D. P. Wiles, 'Pre-War and War-Time Controls', in Worswick and Ady, p.149.

three years following the end of the hostilities, according to official figures, but when Kalecki calculated privately he reckoned it would be up to six years.[1] The latter figure proved to be fairly accurate, for the election of a Conservative Government in 1951 is usually taken as the end of the immediate post-war era in Britain.

Inflation remained the greatest economic fear as Britain switched from a war to peace-time economy in 1945. The very real fear of massive unemployment, which had been experienced following World War I and through the inter-war years, was a motivating force behind the passage of the Employment Policy White Paper (1944). Britain was now committed to a Full Employment Policy. Jobs would have to be created for the influx of servicemen returning home following the conclusion of the war, as well as maintained for the workers in Britain.

The economic policy making of the 1945-1951 Labour Government was thus affected by a great deal of suppressed inflation. Pollard describes the economic climate of the time as 'an excess of purchasing power over goods available at current prices, prevented from resulting in open inflation only by price control and physical restrictions'.[2] War bonuses and other monies not spent during the war, because of the absence of luxury items during the war, injected new money into the economy in 1945. But these only provided an artificial 'mini-boom' effect and the Labour Government sought a more permanent solution through national economic planning and controls.

Reconstruction was affected by Britain's adverse balance of payments situation following the conclusion of the Second World War. A

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1. Ibid., p.23.
2. Sidney Pollard, The Development of the British Economy 1914-1950, (London, Edward Arnold Publishers Ltd., 1962), p.364.

definite need existed for the Labour Government to balance its internal duties with its policy obligations. Co-operation with the rules of international bodies, especially those giving aid to Britain at this time, threatened British balance of payments, and made the full employment scheme difficult to carry out. Before the war the United Kingdom's external balance on current account depended to a large extent on the receipt of payments for what are known as 'invisible' items, notably interest and dividends on overseas investments. Thus the balance of payments crisis itself was aggravated by Britain's obligations to international bodies, and the money owed to other countries, such as the Dollar Loan Package of 1946, as well as the loss of 'invisible' items. Consequently putting the balance of payments on the current account right became one of the major aims of post-war reconstruction and the over-all economic policy for the years 1945 to 1951.

The relation between imports and exports had greatly changed by 1945. The need for imports was high in Britian and exports (i.e. coal) were limited to meet high domestic demand. British earnings on investment abroad were greatly reduced because of war-time reductions in these investments. Britain began to meet keen competition in selling freight and other services in the post-war period. Following World War II commodity imports were usually paid for with commodity exports, in 1938 exports paid for 64 per cent of commodity imports, by 1950 it was 94 per cent.[1] Thus this altered import-export relationship placed a new need for British industry to keep abreast of technological advances.

After 1945 the British economy had to develop a new trade pattern. Coal mining, textile and clothing industries declined in importance as

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1. Gruchy, p.477.

export industries, while the manufacturing of metal and engineering products accounted for an increasing proportion of commodity exports. According to Allan G. Gruchy in his book Comparative Economic Systems, 'Between 1913 and 1950, coal declined from 10.2 to 2.8 per cent and textiles and clothing from 37.8 to 19.1 per cent of the total value of British commodity exports. In the same period, manufactured metal and engineering products increased from 40.5 to 67.1 per cent of the total value of commodity exports'.[1] Within the category of metal and engineering products, foreign demand shifted from railroad rolling stock and long established types of machinery, to motor vehicles, aircraft and electrical equipment.

Table 1 - The Changing Composition of United Kingdom Commodity Exports, 1913-1950

Commodity exports	Percentages of total value of commodity exports			
	1913	1929	1938	1950
Coal	10.2	7.2	8.6	2.8
Textiles and clothing	37.8	33.3	21.5	19.1
Metal and engineering products	26.7	29.2	38.0	50.3
Other manufactured goods	13.8	15.5	17.4	16.8
Other goods	11.5	14.8	14.5	11.0
Total	100.0	100.0	100.0	100.0

Source: P. D. Henderson, 'Britain's International Position', The British Economy, 1945-1950, 1952, in Allan G. Gruchy, Comparative Economic Systems, (Boston, Houghton Mifflin Company, 1966), p.478.

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1. Ibid., p.477.

Overall, the structure of British industry remained in many ways similar to the pre-war world, although there was some structural change, and investment and productivity in general rose. Even so, this provided Britain with a fragile economic base in view of the assets which she had sold off, and debts she had incurred during the war.[1]

It was obvious to visitors to the Continent during the 1945-1951 years that the European countries were recovering faster from the war than Britain. The standard of living in these countries first met, then surpassed its pre-war levels. Part of this may be attributed to the poor economic condition of Britain during the inter-war years. Also, Marshall Aid and other aid programmes had a favourable effect on the less-than-affluent countries of the time - Germany, Holland, France and Italy. Primarily on their own, however, by a process no one had predicted, these nations began a miraculous sprint of productivity beginning in the early 1950's.[2]

British economic policy in 1945 had three major aims. The first was to put right the balance-of-payments on current account. Second, it was necessary to make good the destruction and loss of wartime, and then to begin to reduce the 'notional' losses, both at home and abroad : after repairing or replacing war-damaged housing for example, a start was to be made on the backlog of houses whose construction had been halted or prevented by the war. Similarly, with the cessation of hostilities the Government had to face the prospect of repaying its accumulated debts. Finally, the policy aimed at raising the standard of

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1. Roger Eatwell, The 1945-1951 Labour Governments, (London, Billing and Sons, 1979), p.157.
2. Paul Samuelson, Economics, (Chicago, McGraw Hill Co., 1967), p.706.

living to a level approaching that of the pre-war years.[1]

The problems of transition and recovery that faced the post-war Labour Government were the same problems which any government in power would have had to confront. These problems included the need to expand production, improve productivity, maintain financial stability, and achieve a balance in the country's external economy. The first of Britain's post-war tasks was to find ways of increasing production as rapidly as possible in order to increase commodity exports and to work toward a balance between imports and exports of goods and services.[2]

(ii) Avoiding Slump and High Unemployment

The fear of unemployment and a repetition of the severe depression following World War I was the motivating factor behind the Employment Policy White Paper (1944). Avoidance of high unemployment was a major Labour commitment. The complete infrastructure of post-war regional policy was based on unemployment as the only criteria upon which decisions were made, i.e. which regions were to be demarcated as Depressed Areas.

According to Gruchy, the Labour Party made two principal criticisms of the functioning of the pre-war British economy. These were that 'the economy failed to maintain a balance between total national output and total demand at a full employment level and that the total demand did not reflect priorities in the production of goods and services that would maximize economic welfare'.[3]

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1. G. D. N. Worswick, Introduction: 'The British Economy, 1945-1951', in Worswick and Ady, p.21.
2. Gruchy, p.479.
3. Ibid., p.480.

During World War II there was less debate in British political circles about post-war economic and social goals than there was about the means by which these goals were to be achieved. Gruchy wrote that 'the means proposed by the Conservative and Liberal Parties were along non-socialist, Keynesian lines which would draw the government deeply into the nation's economic affairs, but not as deeply as would the socialist proposals of the Labour Party'.[1] The Keynesian-Beveridge procedures for securing full employment and comprehensive social security can best be described as 'government intervention rather than national planning'.[2] The interventionism of Lord Keynes and Sir William Beveridge was to be carried out largely with the aid of fiscal and monetary policies that were to flatten out the booms and slumps in a secure society. The means by which the Labour Party's post-war goals were to be reached went far beyond the interventionism of the Conservative and Liberal Parties.

But it was planning and controls, which were agreed on by both the Labour and Conservative Parties, with varying degrees of enthusiasm, that were considered the proper means to combat inflation, which was expected to follow a post-war boom. Fiscal and monetary policies were used to avoid an economic decline. This raises the issue of whether Labour's economic policies were meant to be long-term solutions or whether even the Labour leaders considered them to be simply temporary stop-gap measures for the post-war years. This question will be dealt with later.

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1. Ibid., p.480.
2. Ibid.

The American economy recovered much more quickly from World War II than did the British. According to official figures, the United States' National Income at 'constant prices', i.e. after adjusting for the rise in dollar prices due to inflation, was 67.8 per cent above the level of 1938, while its consumption was up 53.5 per cent in 1948.[1] In Britain in the same year, total national output was only 3 per cent higher than in 1938. As the population had increased by 5 per cent, this meant a cut back of more than 1 per cent in the standard of living for each person.[2] The difference can be traced to the greater unemployment and underemployment of resources in the United States than in the United Kingdom in the years immediately preceeding 1939.

Unemployment in Great Britain in the 1940's never approached its pre-war levels. In 1931 unemployment as a percentage of insured workers in Great Britain peaked at 21.1 per cent; following World War II unemployment never rose above 3.0 per cent - the 1947 figure - during the immediate post-war years.[3] Nevertheless, fear of a recurrence of the high unemployment which had occurred after World War I was a key factor in the decision of the electorate to vote Labour in 1945, with its campaign platform of planning and controls.

(iii) How to Implement Socialist Ideals

The post-war years were, from the Labour vantage point, a propitious time for socialist reconstruction. The Second World War had

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1. Roy Harrod, The British Economy, (New York, McGraw Hill Co., 1963), p.16.
2. Ibid.
3. Erik Lundberg, ed., The Business Cycle in the Post-War World, (London, Macmillan and Co. Ltd., 1955), p.37.

enlarged the scope of government intervention in economic affairs to an extent never experienced before 1939. There was a general mood in favour of substantial economic and social reform. No one wanted to revert to the pre-war economic system with its high unemployment, recurring slumps and inadequate social security.[1]

The two main tasks of the new Labour Government in 1945 were reconverting the economy from war to peace, and rebuilding Britain along socialist lines. The recurring theme in socialist writings was that of a more equitable distribution of wealth and opportunity. Socialism was defined by Eatwell as 'a commitment to a society based on cooperation rather than competition; a society in which a high degree of economic and social equity is a major goal; a society in which collective needs are elevated above private ends'.[2] But by this definition Eatwell concludes that the 1945-1951 Labour Governments' claims that they were socialists were debatable.[3]

The tangible economic measures that the Labour Government implemented during its administration - such as National Health, National Insurance and nationalisation of several of the basic industries - were responses to a very real need for some positive economic change : they were also considered to be products of socialist doctrine. 'The post-war Labour government was prepared to alter the functioning as well as the structure of the British economy along lines that the government felt to be necessary if a socialist society was to be established.'[4]

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1. Gruchy, p.480.
2. Eatwell, p.10.
3. Ibid.
4. Gruchy, p.480.

The means of implementing socialist ideals were found in the Labour Government's economic policy. These were monetary and fiscal policy, economic national planning and controls, nationalisation of industry and regional policy. Each of these will be treated in greater depth in the next section of this chapter.

There were some moves during 1945-1946 towards long-term macro-economic planning, a trend which probably would not have occurred under a Conservative Government. The Official Steering Committee on Economic Policy as early as September of 1945 decided to draw up a national plan.[1] According to Alan Budd in Politics of Economic Planning, the Labour Party was committed to planning and confident that it would receive support when it launched the first major planning experiment. Its history can be gleaned from the successive editions of the Economic Survey, starting in 1947. They show how economic planning - that is, the attempt to achieve targets for the pattern and scale of industrial development - was replaced by demand management. By 1951 planning had more or less been abandoned. Welfare capitalism replaced socialism as the Labour Party's political objective.[2]

The movement away from national planning and the gradual loosening of controls, until the outbreak of the Korean War, showed the nation's disillusionment with socialist ideology. The development of socialist thought ran headlong into the year 1947, which proved calamitous for the United Kingdom. The hard winter of 1946-1947 was accompanied by a serious shortage of coal and electricity. The convertibility crisis of 1947

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1. D. N. Chester, 'Machinery of Government and Planning', in Worswick and Ady, p.341.
2. Alan Budd, The Politics of Economic Planning, (Manchester, Manchester University Press, 1978), pp.58-59.

and the devaluation of sterling in 1949 proved to be fatal blows to public opinion regarding Labour policies. But these crises can not be attributed wholly to Labour economic mismanagement, for in spite of these exigencies the British economy did make considerable progress under Labour rule.

Although the Labour Government nationalised several of the basic industries and carried on considerable state trading in the economy's import sector, one of its major problems was to plan the activities of an economic system in which private enterprise was a much larger factor in terms of output and employment than was public enterprise. According to Gruchy: 'The British economy of the year 1945-1951 was a mixed economy which combined socialism in the public enterprise sector with capitalism in the private enterprise sector'.[1] Gruchy compares the public-private enterprise economy of these years with the partial or limited socialism that is advocated by the Scandinavian and other West European socialist parties.[2]

Most of the post-war changes in the economic structure had been agreed on by the war-time Coalition Government. Thus this leads to the question of whether a Conservative Government would have implemented any different programmes. Did any social revolution occur during these six years? Full employment was the most tangible change to most people in post-1945 Britain. However, according to Roy Harrod in The British Economy, this arose from the fundamental post-war economic conditions and had nothing to do with the specifically socialising measures of the government.[3] Many of the Labour 'socialist programmes' were being

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1. Gruchy, p.378.
2. Ibid.
3. Harrod, p.63.

implemented in the United States at this time as 'recovery or welfare programs'. But socialism was significant as the means which brought into existence several social and economic programmes that raised the standard of living in post-war Britain. The fact the Conservatives retained most of the Labour changes in 1951 does not detract from the Labour Governments' record, indeed it vindicates many of its decisions as being the correct choices. Nevertheless, this does show that these policies can not be viewed wholly as Labour creations, and yet credit was due them for their dedication in implementing these policies.

2. Tools Available to Them : and the Problems of Using Them

(i) Keynesian Influences : and Old Traditions

(a) Classical Economists

The pre-1939 British economic system had been influenced by a number of older traditions of economic thought. Classical economic doctrine is usually dated from Adam Smith's An Enquiry into the Wealth of Nations (1776). The economic system he founded is best known by the term 'laissez faire'. This phrase comes from the Physiocrat slogan, 'Laissez faire et laissez passer, le monde va de lui-même'.[1] Thomas Robert Malthus (1776-1834), who belonged to the next generation, sought a rational explanation for the progressive social problems of mankind. His theory of the 'struggle for existence' stated that the continual pressure of population on subsistence has historically only been relieved

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1. George Soule, Ideas of the Great Economists, (New York, Viking Press, 1952), p.36.

by war, pestilence, and famine. This led to his belief in the 'iron law of wages' which said that real wages could not rise much above the level of subsistence because an increase in well-being would lead to a larger supply of workers. Malthusian doctrine had no room for public support or charity except for the 'deserving poor', those who, although being responsible or industrious, had suffered undeserved calamity.[1] Ricardo (1772-1823) was the first to introduce the concept of distribution of wealth, which was to lay the foundation for Karl Marx's theory of the exploitation of labour.[2]

Of the early socialists - such as the French Utopians, Saint-Simon, Fourier, Blanc and Proudhon, Jeremey Bentham (Utilitarianism) and Robert Owen - Karl Marx was clearly the 'great prophet of modern socialism'. Marx outlined a framework of what he believed to be the future course of events, on which he based prescriptions for a strategy to be applied by those who wished to change the nature of society. The economic theories he, along with Friedrich Engels, developed in The Communist Manifesto (1848) and Das Kapital (1867) were almost wholly classical in origin. It is commonly argued that Marx was a classical economist, the only difference being that in his case the reasoning became a weapon to attack capitalism rather than a weapon to defend it.[3] Marx agreed with Ricardo's view that the economic value of commodities is the labour expended on them, and then Marx carried this further, so that in order to produce value labour must be socially valuable. Socialist ideology

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1. Ibid., pp.47-48. See Thomas Robert Malthus, An Essay on the Principle of Population as it Affects the Future Improvement of Society (1798).
2. Ibid., p.52. See David Ricardo, The Principles of Political Economy and Taxation (1817).
3. Ibid., pp.61 and 63.

can be traced directly to Marx's philosophy of history, his theory of the 'class struggle' and 'dialectical materialism', which stated that there is a thesis or initial situation, an antithesis of reaction, and then a synthesis or compromise, in every historical situation. Many people hold that it is more appropriate to view Marx's most influential contributions as belonging to the theory of social or political development, rather than to economics.

The 1917 Russian Revolution as a whole, and the Bolsheviks and Social Revolutionaries, who wished to transform Russia's economy and society as the first step to world proletarian revolution in particular, were a tremendous encouragement to the development of British socialism in the early part of this century. At this time the Fabian Society was the central group working to apply socialist principles in the British system. The leaders of this group were Sidney and Beatrice Webb, who saw socialism as 'a triumph as a sequel of universal suffrage although only as a climax of a long period of political evolution not through revolutionary planning'.[1] The Fabian Society was one of the constituent elements which set up the Labour Representation Committee, later the Labour Party, in 1900. Subsequently the Society tended to act as a specialised research agency for the Labour Party, although it consistently advocated what Sidney Webb called 'the inevitability of gradualness' in a Labour Party conference speech, 26 June 1923.[2]

During World War I Lloyd George had a small war-time Cabinet responsible for the nation's planning and controls, but this initial

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1. Alan Palmer, Dictionary of Twentieth Century History 1900-1978, (Middlesex, England, Penguin, 1979), p.139.
2. Ibid.

British experiment in state intervention was disbanded immediately after the Armistice in 1918. The years following the Great War were marked by economic depression, and on the Continent were accompanied by the rise of totalitarianism in Germany and fascism in Italy followed in 1939 by the advent of yet another World War. In 1945 the controls introduced in war-time were not lifted in Britain, and Labour was elected largely on its promise of national planning. This was due in part to the fear people felt at the spectre of a return to the unemployment and economic slump of the late 1920's and 1930's.

The Tories were the only real threat to Labour in 1945. The Liberal Party had been weakened by disputes between Asquith and Lloyd George during the First World War and the Labour Party had inherited its radical traditions. Liberal representation at Westminster fell continuously during the inter-war period and the slump continued after 1945. Only six Liberals were returned in the general elections of 1950 and 1951. The Tory Party advocated fewer national controls than Labour, but in effect had approved many of the new programmes while the government was still functioning as a Coalition unit during the war. A principal Tory interest, private or free enterprise, remained a major factor in the now 'mixed' British economy, that is, socialism and capitalism, of the late 1940's.

The development of socialist thought was moulded by the classical economists, Marxist doctrine, the Russian Revolution and the subsequent establishment of a 'socialist state', the two World Wars, inter-war depression, and the emergence of British Fabianism in Labour Party socio-economic policies. The new stream of economic theory replacing laissez-faire in the mid-twentieth century had as its spokesman John Maynard Keynes, the eminent Cambridge economist.

(b) Keynes and Keynesianism

Today many of the fundamentals of Keynesian theory are accepted by economists of all schools of thought, although a great many do not share Keynes' particular policy views and differ on technical details of analysis.[1] Even though most current economists regard themselves as 'Keynesian', 'anti-Keynesian', or 'neo-Keynesian', they have tended to work towards a synthesis of whatever has remained valuable in older economics and of modern theories of income determination. The result is now known as 'neo-classicism'. But in 1945-1951 Keynesian economics were widely accepted without the broad schools of criticism that have since evolved. This does not mean, however, that all the post-war British Governments' economic policies were influenced or even acceptable to exponents of Keynesianism. Rather, it is suggested that during these years there had not yet developed the organised framework of anti-Keynesianism that has since evolved, even though there was no

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1. Samuelson, p.205.

shortage of contemporary critics.[1]

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1. This sub-section is obviously far too brief to begin to do justice to either Keynes or Keynesianism (as was also the case with the section on the classical economists) but mention must be made of Keynes' work and its influence on the post-war British Governments. There is such a mountain of literature on both Keynes and Keynesianism that one is forced to mark immediate boundaries. Thus, the following list of further reading is limited to critical studies published during the post-war years or immediately thereafter. The books listed are basic studies relating directly or indirectly to Keynesianism. Sir W. Beveridge, Full Employment in a Free Society, (London, George Allen and Unwin, 1944); D. Dillard, The Economics of John Maynard Keynes, (New York, Prentice-Hall, 1948); King's College Memoir, John Maynard Keynes, 1883-1946, Fellow and Bursar, (Cambridge, 1949); and M. Polanyi, Full Employment and Free Trade, (Cambridge, Cambridge University Press, 1945). The following works are more advanced: A. H. Hansen, A Guide to Keynes, (New York, McGraw Hill, 1953); S. E. Harris, ed., The New Economics : Keynes's Influence on Theory and Public Policy, (New York, 1947); L. R. Klein, The Keynesian Revolution, (New York, Macmillan, 1947); A. P. Lerner, Economics of Employment, (New York, McGraw Hill); A. C. Pigou, Keynes' General Theory : A Retrospect, (New York, Macmillan, 1951); Joan Robinson, The Rate of Interest and Other Essays, (London, Macmillan, 1952); and M. F. Timlin, Keynesian Economics, (Toronto, University of Toronto Press, 1944). The three following books are chosen from the vast anti-Keynesian literature of the post-war years: A. F. Burns, Economic Research and the Keynesian Thinking of Our Times, (New York, National Bureau of Economic Research, 1946); L. van Mises, Planning for Freedom and Other Essays and Addresses, (South Holland, Illinois, Libertarian Press, 1952); and G. W. Terborgh, The Bogey of Economic Maturity, (Chicago, Machinery and Allied Products Institute, 1945).

The influence of Keynes on British and international economics went far beyond his involvement with the British Treasury.[1] Even so during the Second World War Keynes' achievements at the Treasury included such noteworthy accomplishments as : the negotiations with the United States on Lend-Lease, his leadership at the Bretton Woods Conference of 1944 - which established the International Monetary Fund (designed to stabilise foreign exchange) and the International Bank for Reconstruction and Development (formed for the purpose of encouraging international investment), as well as his major role in negotiating the United States Loan Agreement to Britain in 1945.

Nevertheless, Keynes' greatest impact was through his writings. Among his best known books were The Economic Consequences of the Peace (1919), A Treatise on Money (1930), and his major work - The General Theory of Employment Interest and Money (1936). During the Second World War he wrote How to Pay for the War? A Radical Plan for the Chancellor

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1. The official biography of Keynes is R. F. Harrod, ed., The Life of John Maynard Keynes : A Personal Biography, (London, Macmillan, 1951). One of the few incidents in which Keynes' character is allowed to shine through Harrod's eulogising is the following:

   On holiday to Algeria and Tunisia in the Easter vacation of 1921, Keynes and a friend were stoned by street urchins because they had apparently given one of them an insufficient tip for cleaning their shoes. Keynes was certain the tip he had given was correct and when his companion suggested raising it to escape the wrath of the boys Keynes declined firmly saying, 'I will not be party to debasing the currency'. Harrod, p.304.

   There is an extremely interesting collection of biographical sketches of Keynes in Milo Keynes, ed., Essays on John Maynard Keynes, (Cambridge, Cambridge University Press, 1975), Part I, pp.1-72. See also, D. E. Moggridge, Keynes, (London, Macmillan, 1976).

of the Exchequer (1940).[1] The Keynesian concept of macro-economics coloured not only the Anglo-American post-war reconstruction treaties but also the British (and to some extent international) attitude towards economic development.[2] For 'we are all Keynesians now'.[3]

By this point the major economic topics of concern were the Keynesian movement from classical economics to preoccupation with propensity to consume, marginal efficiency and the rate of interest. Due to Keynes' influence the balanced budget was no longer regarded as necessarily the correct accounting practice for the Government. Yet Keynes did consider the budget to be a key feature for Government strategy, and in this sense looked upon the Government as the great compensating factor for private capitalism. Keynes sought a synthesis between socialism and capitalism by insisting that full employment could be attained by means of production of capital goods, the adoption of a 'cheap-money' policy and a programme of public investment.[4]

The orthodox economic theory in which Keynes was trained held that the Smithian 'invisible hand' produced automatically a state of full employment, unless the workers insisted on an overly high level of wages. This classical theory could not begin to explain the massive unemployment of the inter-war years, which seldom fell below 10 per cent

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1. John Maynard Keynes, The Economic Consequences of the Peace, (London, Macmillan, 1919); John Maynard Keynes, Treatise on Money, (London, Macmillan, 1930); John Maynard Keynes, General Theory of Employment, Interest and Money, (London, Macmillan, 1936); and John Maynard Keynes, How to Pay for the War? A Radical Plan for the Chancellor of the Exchequer, (London, Macmillan, 1940).
2. Harrod, pp.595-596.
3. A. J. Youngson, The British Economy 1920-1957, (Cambridge, Massachus., Harvard University Press, 1960), p.261.
4. Palmer, p.213.

and at its worst reached 20 per cent of the total labour force. Classical economists blamed the failure of the economy to expand on the inflexibility of wages, arguing that the trade unions should accept wage cuts. On the other hand, Keynes argued that although this policy might make sense for a particular industry (such as coal mining) a general cut would lower consumption, income and aggregate demand, and this would offset the encouragement to employment by lowering of the 'price' of labour relative to the price of capital, e.g. plant and machinery.[1] Keynes produced an alternative theory which showed that the levels of production and demand depended on the level of aggregate demand (the sum of aggregate consumption) and aggregate investment[2] (which was influenced by business expectations and the rate of interest), with investment determining the aggregate demand by means of its 'multiplier effect' on consumption.[3] The Keynesian multiplier was defined by Samuelson as 'the numerical coefficient showing how great an increase in income results from each increase in such investment spending'.[4] According to Keynes the level of aggregate demand was able to produce

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1. Graham Bannock, R. E. Baxter and Ray Rees, Dictionary of Economics, (Middlesex, England, Penguin, 1972), pp.264-265.
2. In the classical system the national product was determined by the level of investment, and the national income by the level of real wages. It was then the quantity of money that determined the prices. Investment and savings were brought into balance by means of the rate of interest. In the Keynesian system the equality of savings and investment was achieved by adjustments in the level of national income or output working through the multiplier. Thus, in the Keynesian model, if one increased the propensity to invest or consume, one did not simply raise the rate of interest, one raised input and employment. Samuelson, p.232.
3. Harry G. Johnson, 'Keynes and British Economics', in Milo Keynes, pp.108-109.
4. Samuelson, p.265.

full employment and money wage restrictions could influence employment only indirectly through their uncertain effects on investment,[1] the quantity of money in real terms, the equilibrium rate of interest and through business expectations. According to Keynes, unbridled capitalism could easily lead to chronic unemployment, thus, policy decisions on the national level were required to maintain satisfactory employment, which came to be known as 'full employment'. Keynes felt sure that monetary policy alone could achieve 'full employment' but the failure of 'easy money' in the 1930's encouraged the desire among Keynesians for control of aggregate demand by budgetary policy, setting the levels of taxes and government expenditure - fiscal policy.[2]

A reaction against laissez-faire economics which the 'Keynesian Revolution' (among others) certainly was, was inevitable. Yet, on the other hand, an explanation as to why it was necessary is required. 'All' that Keynes did was to apply the classical economics that the economists already had. But it was a necessary step, given the inability and/or refusal of most of Keynes' contemporaries in economics

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1. Keynes challenged the classical Smithian quantity theory of money by contending that savings and investment were independently determined. As in the case of wages, he minimised the role of prices in affecting supply and demand. Keynes did not deny classical theory. He agreed that a reduction of wages could, in theory, be beneficial, but it would operate only through the liquidity preference schedule. Liquidity preference being the desire to hold money rather than other forms of wealth, such as stocks and bonds. Liquidity preference was influenced by the level of income, rates of interest, bond prices, expectations and the institutional features of the economy which determined the velocity of income circulation. This type of monetary policy - or monetarism - was an intrinsic part of Keynesian economic policy, which regulated the level of money (or liquidity) in the economy in order to achieve some desired policy objective, such as the control of inflation. See Graham Bannock, R. E. Baxter and Ray Rees, Dictionary of Economics, (Middlesex, England, Penguin, 1972), pp.265-266 and 279.

2. Johnson, p.109. See also, Joan Robinson, 'What has become of the Keynesian Revolution?', in Milo Keynes, pp.123-131.

to apply the tools of their trade to their society's most pressing economic problem - unemployment.[1]

Disagreement over future economic policy in political circles during the Second World War did not often concern post-war social and economic goals. Rather, the argument centred around the means by which these goals were to be achieved. The measures propounded by the Conservative and Liberal Parties were along non-socialist, Keynesian lines which would draw the Government to a much greater extent into the economic affairs of the nation, yet not as deeply as would the socialist proposals of the Labour Party. The Keynesian-Beveridge procedures for securing both full employment and comprehensive social security were to be accomplished by Government interventionism rather than national planning. The interventionism of Lord Keynes and Sir William Beveridge was to be attained with the aid of fiscal and monetary policies designed to even out the booms and slumps along the 'road to full employment'. The Labour Party's proposals, however, went far beyond the Keynesian interventionism of the Conservative and Liberal Parties. According to the Labour Party post-war reconstruction could only be achieved by national planning.[2]

Hence, when the Labour Government came to power in 1945 it repudiated much of the Keynesian approach to the elimination of economic slumps. This approach had called for public action in the form of changes in tax or interest rates and in public spending to offset both inflationary and deflationary trends in the private sector. The Labour

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1. Ibid.
2. Gruchy, p.480.

Government replaced Keynes' contra-cyclical approach with a national economic planning programme. The Government believed national planning was the only method capable of maintaining the national output at full employment.[1]

Keynesian economics was widely credited for the fact that the post-World War II era was characterised by the disappearance of the chronic unemployment that had plagued Britain between the wars. Critics of Keynesian economics implicitly concur by blaming post-war inflation on the adoption of Keynesian policies. The validity of both arguments is now doubted. Other countries managed to recover from the war extremely successfully without Keynesianism, such as Japan with its very orthodox economic policies. The legacy of 'full employment' was no doubt one of the most lasting contributions of Keynes and Keynesianism to economic policy-making in Britain. But despite its radical new departure, it nevertheless embodied many of the limitations of the classical school of economics. By way of example, according to Elizabeth Johnson in the Journal of Political Economy, the Keynesian theory of full employment 'is very intimately related to Keynes's essentially aristocratic view of the economic requirements of a happy society'.[2] But in 1945 Keynes' theories were extremely influential - in fact, inescapable - as shown by the passage of the Employment Policy White Paper (1944) which called for full employment based on Keynesian models, and was largely endorsed and then partially implemented by the Labour Government.

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1. Ibid.
2. Johnson, pp.119-120.

(ii) Monetary and Fiscal Policies

The British Government's economic planning in the years 1945-1951 was directed by five main themes : the problem of the external balance of payments, the control of the tendency towards inflation, the growth of the Gross National Product (GNP), the maintenance of high and steady levels of employment, and the desire to level the business cycle. It was with the weapons of monetary and fiscal policy that the Labour Government attempted to tackle these issues. As the war-time controls were gradually removed so the burden of 'regulating' the economy fell increasingly upon fiscal policy. In some cases the removal of a control was replaced by a gentlemen's agreement between an industry and the Government to go on devoting a given proportion of its output to the export trade. In other cases the removal of a control meant restoring a completely free market.[1]

The Labour Government was confronted with a tremendous balance of payments disequilibrium, a world dollar shortage and a sterling crisis in 1947. The first evidence of monetary policy used to combat economic crisis was Mr. Dalton's 'cheap money' policy. This deliberate monetary policy was implemented to stimulate the economy and to reduce the cost of Government borrowing. The methods by which the aim of cheaper money can be achieved are essentially simple. In effect, the Chancellor wanted to dictate the terms on which the Government could borrow and, in order to do that, he had either to persuade the public to lend on those terms, or to obtain the money from banks, a sufficient amount of credit having been created to make this possible.[2] From the beginning

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1. Worswick, p.23.
2. Ibid., p.195.

of the war until the fall of the Labour Government in 1951, such creation of credit took place automatically in response to the needs of the money market, and not on the initiative of the Bank of England. Dalton wanted to keep long-term interest bank rates down to 2-3 per cent for three reasons : it would mean cheap nationalisation, for it lowered the cost of Government borrowing, it would help local authorities borrow for housing programmes, and it was considered to be an encouragement to general investment.

According to Youngson, during the 1945-1951 phenomenon of 'cheap money', what actually happened was that the excess of purchasing power created by this quite novel policy of forcing down interest rates could not, due to price controls, be used by consumers to bid up the prices of and so attract resources into the production of the commodities they really wanted to buy. Instead, it was used to encourage production in lines of secondary attractiveness where prices were not controlled, and to raise the general level of costs and, hence, the prices of British exports.[1]

Two major events showed the very shaky foundation of British finances during these years. The first was the sterling crisis of 1947, which was precipitated by the insistence of the United States that sterling be made convertible as soon as possible following the conclusion of World War II. Thus on 15 July 1947 British sterling was made convertible. But the rush on British gold reserves was such that by 20 August of the same year the convertibility of sterling had to be ended. The second financial crisis was the devaluation of sterling. Major cuts in

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1. Youngson, p.160.

the budget, especially in the ever mounting costs of the social services, came in October 1949 following the devaluation of the pound in September from 4.03 to 2.80 dollars to the pound. According to Eatwell this 30 per cent devaluation was to help in fuelling inflation, with serious effects on the Government's popularity in 1950-1951.[1]

One of the worst set-backs for the United Kingdom resulting from the war was in the balance of payments. Balance of payments in this sense was defined as: the difference between the total sum of money accruing to the Government or to persons within Britain in payments from other countries or persons resident in them, and also the total sums which Britain or her residents paid to recipients abroad during a given period.[2] Very large external losses had occurred and to redress the situation major structural readjustments had to be made in the economy. Economic policy makers had recurrent anxieties about the balance of payments throughout the post-war period, and these caused them to take measures calculated to restrain activity in the domestic economy, often at times when these were not strictly appropriate from the point of view of the business cycle.[3] This may be seen to be the major cause of the rather weak growth rate manifested by the United Kingdom in this period.

From 1947 to 1952 the economy of the United Kingdom was controlled in its broad outlines by three main instruments : control over imports; control over investment; and control over consumption. By exercise of

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1. Eatwell, p.104.
2. G. D. H. Cole, The Post-War Condition of Britain, (London, Routledge and Kegan Paul, 1956), p.192.
3. Harrod, pp.27-28.

these controls it was hoped to achieve a balance of both external payments and receipts.[1]

The need for demand management, direct fiscal policy, was considered an obvious necessity by the post-war British Government. In this sense fiscal policy is defined as 'the part of Government policy which is concerned with raising revenue through taxation and other means and deciding on the level and pattern of expenditure'.[2] It is through the level and pattern of budgetary surpluses and their means of financing that the Government can control the level of demand in the economy.

Government expenditure in 1945-1951 constituted a higher proportion of national income than ever before in peace-time. Consequently taxation also reached new heights. A gap between gross incomes net of direct taxation began to open quite low on the income scale, and widened as incomes increased, until for the highest incomes only 6d. was retained of every £1 received.[3] This created new problems of tax-evasion and also of incentives.

This leads to the topic of redistribution and employment. The theory of the harmful effect of taxation on the supply of labour is that it creates a gap, or increases an already existing gap, between the value of a man's marginal product and his net marginal earnings.

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1. Lundberg, p.41.
2. Bannock, p.185. A very slanted perspective of Labour fiscal policy was given by Carl F. Brand in The British Labour Party, (London, Oxford University Press, 1965), pp.240-241 in a chapter entitled 'Labour's Great Ministry', in which Dalton, the Chancellor of the Exchequer, just escapes canonisation.
3. G. D. N. Worswick, 'Personal Income Policy', in Worswick and Ady, p.319.

A taxed worker, therefore, is increasing the value of the national income at a greater rate than he is increasing his own income. Consequently it is, in principle, impossible to compensate him adequately for increased effort, or time, and still leave something over.[1]

The devaluation of sterling came as a serious blow to the economic and fiscal policies of the Government. New measures were introduced quickly by the Conservative Government elected in the Autumn 1951 General Election. There was an immediate move to monetary policy. These new measures included a substantial import cut and raising of the Bank Rate.

Post-1951 economic thought changed towards demand management, fiscal policy and the full employment theory. No longer was full employment deemed obtainable if only the proper forecasts were made and the correct economic policies implemented. Further emphasis was put on demand and the wages theory, which were considered more important in economic decision making. The real weaknesses in British fiscal decisions in 1945-1951 lay in two fundamental assumptions. First, it was assumed that the level of unemployment could be maintained at any chosen target within a wide range and that the only inherent obstacles were the technical difficulties of forecasting. It was further assumed that, within a very wide range the pressure of demand and the level of unemployment made practically no difference to the movement of money wages and, therefore, to the domestic causes of inflation.[2]

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1. Ibid., p.182.
2. Samuel Brittan, Second Thoughts on Full Employment Policy, (London, Barry Rose (Publishers) Ltd. for Centre for Policy Studies, 1978, third edition), pp.25 and 28.

(iii) Planning and Controls

(a) Planning

The concept of planning economic and specifically industrial reconstruction was present before the Second World War. It has been viewed as a reaction against the unemployment of the inter-war years, and during World War II itself planning came to be considered the proper means of preventing the recurrence of a post-war recession and a possible economic depression. Overall planning by no means necessarily accompanies state intervention. Its application in Britain before 1945 was almost solely due to war. Before 1916 it did not exist : the modern economic State had not been invented, all measures were taken piecemeal and Government departments competed with each other, even in purchasing supplies. But by August 1939, with the publication of the Barlow Report there was expressed a desire for a new ministry to coordinate on a national level regional development of industry. According to Eatwell, after 1945 there was mounting interest in the use of budgetary policy to secure economic goals, notably full employment, which had been accepted as an economic aim in the 1944 White Paper on Employment Policy.[1] The post-war era saw a shift in economic policy from planning to demand management (fiscal policy), and finally by the late 1940's to a retreat from planning as an economic control.

According to Budd it was Keynes' new ideas on the causes of unemployment which strengthened the Labour Party's case for planning. Unemployment was caused by a mismatching of decisions on savings and investment; the problem could be solved by controlling investment

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1. Eatwell, p.69.

directly. But Keynes himself was to sabotage the argument. He argued that overall demand management, within the competitive capitalist system, was the solution, and the post-war years have often been presented as an example of this.[1]

Although as a technique it was politically neutral, it was the case in practice that in Britain planning received more support from the left than from the right. What is more, economic planning tended to be particularly associated with the Labour Party. Thus, much of the politics of economic planning was party politics, and one should view it mainly in terms of the ideas and actions of the two major parties. The Labour Party was associated with planning for two major reasons. The first was the belief held by Labour supporters that the interests of those whom the party represent were best met by planning. The second was that since the war the Labour Party had wanted planning to be its distinctive approach to economic policy. It needed such a distinctive approach both as a sales device and for internal party cohesion. The post-war history of economic planning in the Labour Party can be seen as its attempt to find a creed to replace its pre-war commitment to public ownership.[2] (Although the theory of public ownership was one still fairly prominent between 1945 and 1951.)

The problem of how to deal effectively with the conflict between social costs and benefits had long been recognised by economic theorists. Government planning and controls were the Labour Party's and thus the post-war Government's way of dealing with these problems. It was

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1. Budd, pp.55-56.
2. Ibid., p.16.

the final break with Smithian laissez-faire. Attlee spoke of the Labour Party's intention 'to substitute for the anarchy of competitive industrialism a planned and organized system'.[1] The idea of planning in the public interest was contrasted with Conservative policies which were seen as planning in the interest of capitalists. Indeed, it is a bit surprising that in its 1945 election manifesto, Let Us Face The Future, the Labour Party made few references to the machinery of economic planning.

Since national economic planning was a new venture, the first Survey devoted some space to defining the object of planning: 'to use the national resources in the best interests of the nation as a whole and to provide it with a philosophy'.[2] Disillusion with national planning can be traced through the successive versions of the Economic Surveys. Demand management soon replaced definitive economic planning. By 1951 planning had been more or less abandoned. Welfare capitalism replaced socialism as the Labour Party's political objective. It combined Keynesian methods of demand management - using general rather than specific measures to influence the economy - with the extension of the Welfare State. The Labour Party could no longer rely on electoral support for planning, and the Conservatives, partly in response to popular sentiment, briefly moved towards Liberal-Conservatism. The Conservatives came to power in 1951 claiming to 'set the people free'; but in practice they adopted policies which were barely distinguishable from those of the defeated Labour Government.[3]

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1. C. R. Attlee, The Labour Party in Perspective, (Gollancz, 1937), p.284.
2. Budd, pp.58-59.
3. Ibid., p.59.

Pollard summarizes the economic planning of 1945-1951: 'In practice, the Government's policy of 'democratic planning' was to be somewhat between eclectic, varied, and changing rapidly in its brief years of office'.[1] According to Eatwell: 'The most obvious economic change between pre-war and post-war Britain was full employment, a change which had a major effect in reducing poverty and raising living standards. But it is doubtful whether the governments' policies had much to do with this. A massive post-war cyclical boom was almost certainly more important than the governments' efforts at planning and Keynesian demand management. Indeed, by the late 1940s physical planning was taking a less and less important role in economic policy'.[2] Another of the major criticisms of the national projections set for specific industries was that targets were not realistic in terms of production capacity. But national planning served as a vital bridge between controlled wartime economy and a peace-time economy run along modified socialist lines. As the economy reasserted itself following the war the need for planning lessened, but this does not diminish its importance during the first post-war years.

(b) Controls

There existed in Britain at the close of the Second World War a need for the continuation of controls. Britain was faced with a vast balance of payments problem, an enormous pressure of domestic demand, and rapidly rising inflation. The post-war Labour Government took over the whole panoply of wartime controls and, with few exceptions, kept them in being. Given the economic situation of Britain at the time,

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1. Pollard, pp.272-273.
2. Eatwell, p.157.

however, it may be assumed the Conservative Party would have done the same, at least for a number of years. A whole range of controls were used during this period. Direct controls included building restriction, production guidelines, price control, rationing, both consumer and industrial, and statutory control.

When the First World War began the whole of the political economy of modern war had yet to be thought out. Apart from sheer ignorance and inexperience there were many intolerable delays in imposing controls, and much resistance on doctrinal grounds of laissez-faire. But by 1918 very great changes had been wrought, immensely increasing the scope of the State. Every form of control introduced in the First World War was repeated in the Second, but the following were not used in 1914-1918 : 'cheap money', forced loans from the public, exchange control, points rationing, the concentration of civilian industries and direction of labour.[1] The actual controls taken over from the Caretaker Government in 1945 at the end of the war and continued by the Supplies and Services (Transitional Powers) Act of 1945 contained fiscal, financial and physical planning powers. The United States largely got rid of controls by 1946, but had controls been kept by the Americans a little longer the great upsurge of dollar prices, which had a world-wide effect, might have been avoided. But there was no doubt that a further period of control was essential for the United Kingdom.[2]

> The actual course followed between 1945 and 1950 was a gradual dismantling of war-time controls. The process was not uniform: attempts were made from time to time, e.g. after the convertibility crisis of 1947,

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1. Wiles, p.127.
2. Harrod, p.46.

> to tighten up or to reimpose particular controls. But, by 1950, final consumers were rationed only in respect of the principal items of food, and, in an informal way, of coal. Rationing had been removed from clothing and furniture and other items such as soap and petrol. Raw material allocations to industry, including steel, had been entirely removed by 1950, but early in 1951 world shortages of raw materials, and rearmament, led to a restoration of certain controls. The control of labour had gone: the extensive price control of non-food goods of the war years had been largely removed, or had become so vague as to be ineffective. Building licensing, however, still remained and was almost as 'restrictive' in its impact on individuals and firms in 1950 as at any time during the post-war period.[1]

Government control of individual commodities provided clear examples of direct involvement, for the Government continued to be the chief supplier of raw materials following the conclusion of the Second World War. Controls persisted in the capital investment field. Building licences were tightly controlled and normally required a sponsoring Government department, and attempts were made to put into practice the wartime blueprints for the planned use of land; the vast profits realized by 'developers' since, explain in part the bitter opposition to these controls. Other powers survived after 1951, including the Town and Country Planning Act which gave Counties and County Boroughs a veto over the siting of industries conflicting with their long-term plans. The six 'Development Areas', extensions of the former 'Special Areas', were aided under the Distribution of Industry Acts of 1945 and 1950 by Government funds for the construction of factories to be let to light industry at pre-war rents, and by other inducements, including services, facilities, and loans. It was the difficulty of obtaining labour,

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1. Worswick, p.23.

licences and facilities elsewhere that made the efforts to deal with the deep-set problems of these districts temporarily successful.[1]

By exercise of these controls the Government sought to achieve both equilibrium between the supply and demand for resources, and a balance of external payments. But in February 1947 there appeared the Economic Survey for 1947, which declared that, even with the help of controls, 'the task of directing by democratic methods an economic system as large and complex as ours is far beyond the power of any Governmental machine'; but which failed to produce any new ideas for dealing with an economic crisis which The Economist declared in August was 'reaching desperate proportions'.[2] Physical controls were coming under increasing attack from Conservatives and business by 1948, though some businessmen did well out of controls; for example, price controls were fixed through consultation with an industry, often at relatively high levels.[3] 'Direct controls were being abandoned late in 1948; the retreat from 'democratic planning' had begun. After a rather disastrous interval, monetary control was 'discovered' by the Tory Government in 1951.'[4]

The fact is that no one knows how far a Labour Government, if returned to power in the autumn of 1951, would have gone towards liberalisation within the private enterprise sector of the economy. Harrod writes that since it is unlikely that a Conservative Government would have taken a different attitude towards the regime of controls in

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1. Pollard, pp.371-372.
2. Youngson, p.167.
3. Eatwell, p.99.
4. Youngson, p.265.

the 1940's, and, indeed, on its assumption of power in 1951 it actually intensified certain restrictions, this aspect of socialism, if it is right to so regard it, cannot be said to have made any lasting imprint on the British economy.[1]

(iv) Nationalisation

The nationalisation of industry was probably the most identifiable feature of the 1945-1951 Labour Government, and had been one of the major goals of the Labour Party as it came into power in 1945. Backed by a strong majority in the Commons, the Labour Government proceeded to enact the programme outlined in Let Us Face The Future (1945). Nationalisation was something upon which the parties were in mutual disagreement. To Labour it was desirable, not as an end in itself, but as a useful tool both for planning and for high productivity, and for a better distribution of wealth and greater social equality. The Conservatives and Liberals were opposed on principle, although they were willing to accept and use it when the occasion demanded. The post-war Labour Government nationalised the Bank of England, the coal mining industry, civil aviation, telecommunications, electricity and gas supply, inland transportation, and iron and steel.[2]

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1. Harrod, p.48.
2. Brand, pp.241-242.

Table 2 - Nationalisation Dates for British Industries, 1947-1951

	Vesting date
The National Coal Board (N.C.B.)	1 January 1947
The British Transport Commission	1 January 1948
The British Electricity Authority (B.E.A.) and Area Electricity Boards	1 April 1948
The Area Gas Boards and the British Gas Council	1 May 1949
The Iron and Steel Corporation of Great Britain	15 February 1951

Source: Clegg in Worswick and Ady, p.425.

Nationalisation needs to be understood as not primarily about Government ownership, but as Government control. Stockholders were issued new Treasury stock to replace that of the company which had been nationalised. The Treasury thus became the company, per se, replacing the body of owners.

Nationalisation came to be viewed as appropriate for specific industries (i.e. to be operated on a nation-wide scale) but by no means was to involve all the country's industry. The Labour Government adopted the modified socialist theory of a 'mixed economy', which maintained that nationalisation was necessary for 'basic' industries and that less direct means of control sufficed, at least in the short term, for other industries.[1]

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1. H. A. Clegg, 'Nationalized Industry', in Worswick and Ady, pp.424, 426 and 427.

In each of the industries that were nationalised, prices before nationalisation had by no means been determined by competition. War-time price controls and flat-rate increases had further 'warped' the price system. Apart from mining, the nationalised industries belonged to the group of inter-war 'sheltered' industries whose workers suffered a decline in wages and earnings during the war period. But by 1952 nationalised industries were exceptional among British industry for the high proportion of wages in relation to their total costs. The duty of the National Boards was to rationalise systems of price adjustment which were getting out of hand, not to replace a free market by a system of planning.[1]

The argument made most frequently for nationalisation was that such measures were essential in the interests of efficiency.[2] But the administrative problems of a large programme of nationalisation could not have been clearly foreseen. One very real problem was that 'the savings obtained by transforming equity capital into gilt-edge savings and by centralized commercial arrangements are real, but small compared to the totals involved and may easily be swallowed up in rising costs due to a rising price-level, wage increases, or falling demand'.[3] It was soon seen that the difference between making money and acting in the public interest was smaller than most people had imagined, and that nationalisation had some difficult problems of its own. According to Youngson it also became increasingly clear that Britain's future was not to be secured so much by reorganising basic industries, as by developing

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1. Ibid., pp.442, 443 and 438.
2. Worswick, p.27.
3. Clegg, p.448.

new and existing industries which could sell their wares in competitive markets overseas and produce for home consumption the goods which a people growing rapidly richer wanted to buy.[1] Harrod's critique of these years was that 'If we take the whole picture, it appears that the Labour government from 1945 to 1951 did not take the country much further towards the national ownership and control of industry than might have been thought expedient by middle-of-the-road people, who were not deeply wedded to the doctrine of laissez-faire'.[2]

(v) Regional Policy

Although discussed before the Second World War, regional policy was not implemented until the post-war era. There are several reasons for this : the 1945 Labour Government was more sympathetic to a policy of regional control than any previous administration; in 1945 all the machinery of war-time control was still available for use as a programme of regional policy was begun; and regional policy was necessary if a full employment policy was to be actualized.

It was the Barlow Report that first laid emphasis on 'the links between regional policy, urban redevelopment policy and transport planning'.[3] The purpose of the Report was to inquire into the forces which had influenced the geographical distribution of the industrial population of Great Britain and to suggest the probable direction of any future change in that distribution while also exploring the social,

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1. Youngson, pp.187-188.
2. Harrod, pp.61-62.
3. Gavin McCrone, Regional Policy in Britain, (London, George Allen and Unwin Ltd., 1969), p.19.

economic and strategic disadvantages arising from the concentration of industries and an industrial population in large towns or particular areas of the country.[1]

The general conditions of the early post-war period were quite favourable to a redistribution of industry. The existence of some 13 million square feet of surplus ordnance factories in the assisted areas, the relative availability of labour, a pent-up demand for capital investment, and, most importantly, the extent to which Attlee's Government was willing to enforce its controls all favoured redistribution. As a result of this, the Development Areas gained their greatest ever share of new industrial development : over 50 per cent of total national development by area in the period 1945-1947. This situation changed dramatically following the October 1947 balance of payments crisis, which forced the Government into public expenditure cuts, shifted emphasis to export production and focused attention on national rather than regional problems. This 'de-emphasis' of regional assistance, acceded to unwillingly by the Labour Government, was embraced openly by the Conservative Government elected in 1951.[2]

In 1945-1951 regional policy was considered to have a primarily economic focus (i.e. the reduction of unemployment) and it was not until the late 1950's that there appeared a political aspect to it. The economic aspects of the case both for and against regional policy were first set out in detail as they applied to Britain by the Barlow Report in

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1. Royal Commission on the Distribution of the Industrial Population Report, (London, H.M.S.O. Cmd. 6153, January 1940), pp.17 and 51. Commonly referred to as the Barlow Report.

2. J. D. McCallum, 'The Development of British Regional Policy', in Duncan Maclennan and John B. Parr, Regional Policy, (Oxford, Martin Robinson, 1979), pp.8-9.

1940.[1] The case rested on three main points:

(1) that free market forces cannot be relied on to operate satisfactorily in location decisions;

(2) that economic growth requires a policy to ensure that the economy's spare resources are as far as possible utilized;

(3) that the avoidance of inflation and achievement of steady growth are only compatible if wide differences in regional unemployment rates are avoided.[2]

According to Fogarty it was the duty of the proposed national authority to estimate the development of each industry and that it should be a means of coordination not control.[3] The three main concerns of regional policy were : the decline of several leading industries, i.e. coal, shipbuilding, iron and steel, linen and jute; the decline in employment in agriculture; and the growth of big towns with their inherent social disadvantages.[4] Depressed areas, urban or rural, were usually areas of specialized industries. According to Fogarty 'new factories are important to break down the belief that Special Areas are fit only for their traditional industries'.[5]

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1. McCrone, p.26.
2. Ibid., pp.30-31.
3. M. P. Fogarty, Prospects of the Industrial Areas of Great Britain, (London, Methuen and Co. Ltd., 1945), p.453. The term 'Special Area' was changed to 'Development Area' in 1945.
4. M. P. Fogarty, 'The Location of Industry', in Worswick and Ady, pp.254-255.
5. Ibid., p.264.

Gavin McCrone remarks in Regional Policy in Britain, that in view of the long-standing nature of the problem it may seem surprising that regional policy did not come into existence until after 1945. But it must be remembered that it was not until World War II that the Government began to accept the responsibility and powers necessary to control the level of national economic activity. Acceptance of full employment as an objective, along with the goals of the welfare state, necessitated regional policy.[1]

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1. McCrone, p.13.

Chapter Two

Framework for Post-War Scotland

1. Impact of the War

The first Sunday of September 1939, the air-raid warning was first heard in Scotland and throughout Britain.[1]

The British air defences reached the crucial summer of 1940 with a fighter force which its Commander-in-Chief and the Air Staff agreed was uncomfortably small. The early-warning and reporting system was near completion in the south and east but it was notably deficient in the west and parts of Scotland.[2] Thus it is not surprising that 'the heaviest casualties suffered during the first half of July 1940 occurred in Aberdeen, where more than 50 people were killed or seriously injured on the night of the twelfth in an attack delivered when the sirens had not sounded.[3]

Living through the Blitz, which attempted to show the effects of the German blitz on the morale of the various regions of Great Britain, states that:

> In Scotland, only Glasgow (population c.1,100,000) with the associated Clydeside shipyard and industrial towns, received full blitzing, as the north-western extension of the Luftwaffe's main effort. It was left unmolested all autumn and winter (1940), to receive all its five big raids between mid-March

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1. Basil Collier, The Defence of the United Kingdom, (London, H.M.S.O., 1957), p.1.
2. Ibid., p.154.
3. Ibid., p.163. Aberdeen was hit again in 1943 when thirty bombers were sent from a forward base in Norway, an unusual tactic, for the purpose of a dusk attack on the port city. The attacking planes escaped with no interference and two-thirds of the load hit Aberdeen itself (Collier, p.316). But Aberdeen was not troubled as much as Glasgow by air-raids because it was not considered as prime an industrial target.

> and mid-May (1941), with some 1300 tons of HE (high explosives). The Clyde towns thus had a large margin of time to prepare, after the blitz had begun farther south.[1]

But Glasgow was, by the end of the war, to be mentioned on a list of 'claimants (towns) to the melancholy honour of having suffered most in the night offensive'.[2] The most serious and spectacular air-raid damage was not, in fact, inflicted on Glasgow itself, but on neighbouring Clydebank, where John Brown's and Singer's were situated. Much of the town was destroyed by enemy action.

The Glasgow area was, during the early part of the war, by no means free of the industrial unrest which had been present on the Clydeside since before the First World War. Some leading citizens even argued that 'what Glasgow needed as a few good bombs'.[3] But Tom Johnston was rightly proud of the difference between the First and Second World War in this respect. In fact in World War II the only disruptive anti-war element was provided by the Communist Party (which was strong in the Unions and the Glasgow Trades Council) who opposed the war with Hitler until Germany attacked Russia, and then they threw their weight whole-heartedly behind it. William Gallacher, the leading member of the Scottish Communist Party, reissued his book, Revolt on the Clyde, to inspire workers to throw their weight behind the war. He wrote in his Introduction to the August 1941 edition:

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1. Tom Harrisson, Living Through the Blitz, (London, Collins, 1976), p.252. See also, Collier, pp.503-505, Appendix XXX, 'Notable Night Attacks on United Kingdom Cities, 14th November, 1940 - 16th May, 1941'.
2. Collier, p.281.
3. Harrisson, p.253.

> Revolt on the Clyde shows how the workers fought in the circumstances of the last war. I hope it may be the means of inspiring men and women in the factories, to fight now, in new circumstances, as they never fought before, for the weapons that are necessary to honour our alliance with the Soviet Union - that so our people and the people of the Soviet Union, striking from the East and from the West, may smash for ever the power of Hitler Germany and free the people of Europe from the menace of Fascist Slavery.[1]

It is interesting to note that when the air-raids began that there was little industrial dislocation in the Glasgow area. For example, 'many Clydebankers worked in the John Browns shipyards. Of these a "good proportion" turned up as usual [for work, the day after an air-raid]. The "vast majority" of absentees went back after an average 11-14 day'.[2]

Overall Scotland was not as badly affected by actual bombings as London or even north-east England. No major industrial works were destroyed in Scotland during German bombings. A cogent argument can be made that the reason for faster German post-war reconstruction, in comparison to British recovery, is due to the very fact that German factories, i.e. the Krupp Munitions Works in the Ruhr Valley,[3] had been completely destroyed or dismantled during the war. Thus following World War II when rebuilding was done in Germany it was, naturally, done on the most modern lines. But in most of the Allied countries, especially

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1. William Gallacher, Revolt on the Clyde, (London, Lawrence and Wishart, 1936), pp.4-5 of Introduction.
2. Ibid., p.256. See also, Terence H. O'Brien, Civil Defence, (London, H.M.S.O., 1955), and Richard M. Titmuss, Problems of Social Policy, (London, H.M.S.O., 1950).
3. See, William Manchester, The Arms of Krupp 1587-1968, (Boston, Little, Brown and Company, 1964).

Scotland with its minimal bombing damage, this type of full-scale modernisation of industry was not even attempted or considered desirable. Scotland wanted simply to return its industrial production to its peace-time capacity. Unfortunately, with less efficient and older methods, Scotland was handicapped as it began to compete in a new post-war international market. Germany did not recover industrially as fast as Britain in the late 1940's because most of its factories were not yet workable, but by the 1950's German productivity had surpassed that of Britain, for by then Germany had implemented more sophisticated machinery and techniques.[1]

Another problem suffered by Scottish industry after the war was that during the war much of the available Scottish factory space was used simply for Government storage. The delay caused by the necessity of clearing premises of Government supplies contributed to the problems of post-war reconstruction, along with the much more acute problems of obtaining materials, new machinery and labour.[2] Thus it was often not damaged as much as unused factories that Scottish industrialists had to deal with in 1945. And many industrial works had to be converted from war to peace-time production.

Demobilisation posed its own problems, as returning servicemen and women needed peace-time jobs. This added to the fear that the post-World War II years would be a repeat of the massive unemployment and economic slump of the 1920's and 1930's. War bonuses and other monies

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1. See, Samuelson, p.706, on the effect of Marshall Aid on the less-than-affluent countries post-World War II, i.e. Germany and their 'miraculous sprint of productivity growth in the 1950's'.
2. Fogarty, Prospects of the Industrial Areas of Great Britain, p.80.

not spent during the war, because only 'utility' goods were available, gave only a small post-war boom to the economy. Rationing continued until the late 1940's, in both the industrial and private sectors. The bread shortage of 1946 was marked by rationing beginning on 21 July of that year, although bread had never been rationed during the war itself. Industrial rationing and the allocation of raw materials continued.

The social and physical dislocations of the war made the task of reconstruction difficult, yet in the confusion, it created an atmosphere in certain respects conducive to change. A war-time country used to rationing, controls and Government planning, Britain in 1945 was more prepared to accept Government intervention, even the nationalisation of specific industries. Britain (under the influence of the Beveridge plan and Lord Keynes) not only allowed but expected the Government to provide for its citizens following World War II to ensure that the depression of the inter-war years was not repeated. The new spirit of co-operation between Government and both sides of industry was exemplified by the work of Thomas Johnston, the Scottish Secretary of State during the war, and by the kind of heightened awareness of the need for social reforms which is illuminated in Our Scottish Towns.[1] This book described the evacuation of city children into the countryside after the outbreak of war, and, more especially, the shock of middle-class housewives at discovering the physical and social condition of so many of the slum-dwelling families that came to live with them. Johnston wrote a foreword in which he drew the moral that in the brave new world

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1. Scottish Women's Group on Public Welfare, Our Scottish Towns : Evacuation and the Social Future, (Edinburgh, 1944).

after the war all classes would work together to see that these conditions were not perpetuated.

In the economic sphere, planners like Fogarty saw that it might be possible for industry to accept a degree of direction in respect to location following the war.

> Firms which are anxious to re-start normal production at a time of keen demand are scarcely likely to be deterred by negative control of the location of their new plants or of other aspects of their policy, provided that a reasonably wide field of action is left open to them ... Many of them would in addition be ready to accept a considerable degree of positive control of their policies in return for special concessions.[1]

Fogarty was not expressing the attitude that British citizens expected and welcomed this : rather he recommended this tactic as part of regional policy.

The election of Attlee's Government in 1945 was to provide (in theory at least) an opportunity to test new means of dealing with Scotland's traditional problems of housing, unemployment, and structural disadvantage. It was these problems that both the Government and business were attempting to solve through post-war economic reconstruction.

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1. Fogarty, p.80.

2. Industrial Production

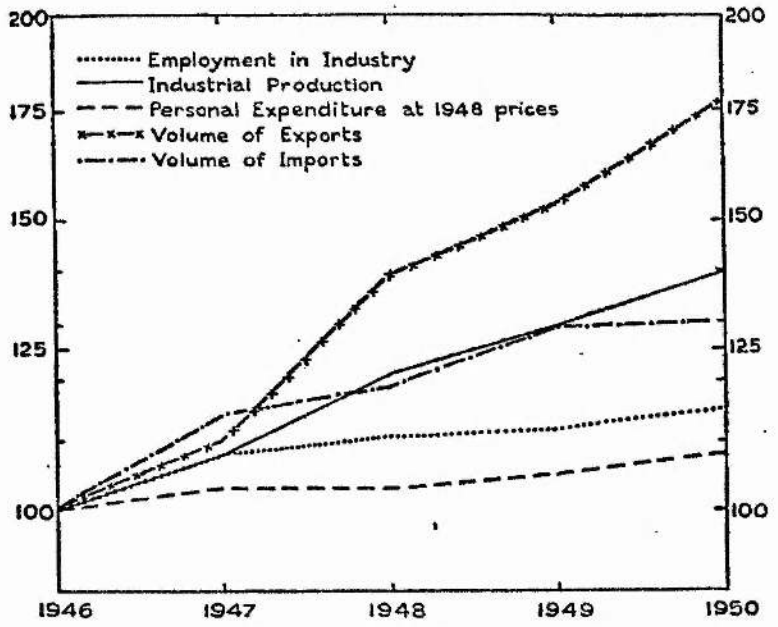
The index of British industrial production by 1950 was 40 per cent greater than in 1946.[1] This increase was indicative of major changes in employment, industry, personal expenditure (at 1948 prices) and volume of both exports and imports. Thus production rose 8 per cent per annum during each of these five years.

Table 1 - Major Economic Changes in Great Britain 1946-1950

	1946	1947	1948	1949	1950
Employment in industry	100	108	111	112	115
Industrial production	100	108	121	129	140
Personal expenditure at 1948 prices	100	108	103	105	108
Volume of Exports	100	103	139	153	177
Volume of Imports	100	114	119	129	130

1. Worswick, p.2. This figure is an average of percentage figures for many industries.

Figure 1 - Major Economic Changes in Great Britain 1946-1950



Source: Monthly Digest of Statistics, (H.M.S.O. Cmd. 8203) and Rostas, Economic Journal (March 1952), in Worswick, p.3.

In 1948, 1949 and 1950 the actual performance of industrial production exceeded the official expectations at the beginning of each year, as announced in the Economic Surveys. The years were not equally smooth (for example, production in early 1947 was somewhat held back by the crisis in coal supplies) but in late 1947 and in 1948 it was accelerated as the economy overcame this dislocation. There is certainly no evidence that the economy was, as its critics sometimes averred, 'shackled by controls and slowly grinding to a halt'.[1] Production continued to rise in the late 1940's and early 1950's, although there was much inflation as a result of the excessive devaluation of sterling in 1949.[2] This

1. Ibid., p.6.
2. Harrod, The British Economy, p.22.

rise in production was due to many causes : demobilisation, the building up of working capital and the expansion of scarce materials.[1] There was a rise in the amount of materials allocated by the Government to industry for commercial purposes in the post-war years. But there were existing at the same time tremendous shortages of raw materials, i.e., for housing and shipbuilding, in relation to demand. Overall, the annual rise of British industrial production from 1947-1950 and then 1950-1951, with the rearmament drive for the Korean War, was substantially greater than during the inter-war years.[2]

Several diverse factors contributed to the relatively good record in Britain during the post-war years in comparison to the pre-war era. The pattern of post-war output was partly determined by changes that had taken place in the war, so that the share of engineering, itself a high productivity industry, rose sharply. Although productivity increases within engineering did not add much after the war to general higher productivity, the permanently higher output of machinery contributed a great deal to the increase in output of the industries installing these machines. The net investment in machinery, technology and plant of the kind which had a direct effect on output (as distinct from better buildings, for example, whose productivity effects were less direct), was higher following the war.[3] Other contributing factors to the post-war production gains were the rise in the prestige and quality of management and the rise of personnel management. Credit should be

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1. Worswick and Ady, p.7.
2. Ibid.
3. Ibid., pp.7-8. In this sense productivity is being discussed as a factor directly affecting production.

attributed to both management and the trade unions that this was one of the few periods in modern British history of such continued industrial peace.[1]

British production rose uninterruptedly until the winter of 1951-1952. Hence the 1948 recession which occurred in the United States was missed by the United Kingdom. This may be taken as the natural consequence of the low levels prevailing in Britain in 1948 as compared with the United States. American industrial production, even as early as 1947, was more than twice that of its 1938 level, while in Europe it was one-quarter. But while European production climbed steadily from very low 1946 levels, the trend in the United States was rapidly upwards, and was interrupted in 1948-1949 by an actual fall.[2] Lack of synchronisation of the American business cycle and other industrial countries was a very important feature of the economic history of the early 1950's. This was a helpful factor as it prevented any cumulative external effects of the American recession as a whole.[3]

A similar rise in industrial production was apparent in Scotland to that present in Britain as a whole but the Scottish situation

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1. Ibid., pp.7-8 and 9.
2. Harrod, p.19.
3. Leser, p.91.

differed in several significant respects.[1] Scotland differed from Great Britain in 1939 in terms of industrial structure, etc. Industrial production before the war was rising more slowly in Scotland than in the rest of the country largely because of the absence of the newer industries in Scotland and their rapid expansion south of the border throughout the 1930's. This was reflected in the slower rise in the national income, in the lower rate of earnings, and in higher unemployment percentages in Scotland.[2] The war itself had certain effects in confirming Scotland as a base for particular industries. One reason for the lag of industrial production in the post-war years was that during the war production had risen faster in Scotland than in the rest of the country. According to figures from the 1935 and 1948 Census of Population the net output of the trades increased by 225 per cent for Britain as a whole.[3] Although most of this increase was in price rather than output, and if it were possible to value what was produced at constant prices so as to isolate the real increase in industrial production,

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1. See Neil K. Buxton, 'Economic Growth in Scotland between the Wars : the Role of Production Structure and Rationalization', Economic History Review, 33 (1980), pp.538-555. The standard argument is that the overall poor performance of the Scottish economy, in comparison to the British economy as a whole during the inter-war years, was not due to structural weaknesses per se, rather Scotland's relatively weaker performance was to be attributed to the failure, industry by industry, to match the rate of growth achieved in the national economy. Buxton disagrees with this 'popular view that there was no great difference between the industrial pattern of Scotland and Great Britain' (p.538). According to Buxton the inability of Scottish industries to achieve rates of growth on a par with the rest of the country was not the major explanation of the relatively slow rate of growth of the Scottish economy between wars; rather it was the fact that significant structural differences did exist between Scotland and the rest of Great Britain that was the key to explaining the slow rate of growth of the inter-war Scottish economy.

2. Ibid., p.72.

3. Roy Campbell, Rise and Fall of Scottish Industry, pp.98-99.

the degree of deflation would not necessarily have been the same in Scotland as in Great Britain.

Dramatic changes in the engineering and iron and steel industries in the 1930's affected in the long run the prosperity of the entire Scottish economy. In 1930 these two sectors in Scotland led over England and Wales : in terms of net profit achieved per worker, iron and steel foundries by a small margin (£187 to £186) and shipbuilding by a substantial margin (£235 to £194). The lead in shipbuilding was lost in 1935 (£193 to £194). Thereafter the trend was against Scotland, although it was much more marked in the newer electrical engineering concerns than in the traditional mechanical engineering. Campbell attributed much of the blame for lower production in Scotland to the lack of leadership in the vitally important iron and steel and shipbuilding industries in the 1930's, especially in the areas of major employment (Glasgow) or in the newly developing industries, which took their lead from the established industries. The continued success in coal-mining and in non-ferrous metals was not able to offset the poor Scottish performance in electrical engineering.[1] Bur virtually everyone now stresses the objective market factors when examining industrial production of the 1930's. According to Buxton, 'there was little that individual entrepreneurs could have done to ameliorate the effects of the depressed inter-war environment. They were overwhelmed by market forces beyond their capacity to control'. Buxton argued that what was needed was a 'much greater commitment to industry on the part of the

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1. Campbell, pp.98-99.

state' rather than the 'patching' and limited number of closures that were carried out.[1]

Production rose faster in Scotland during the war because of the revived demand for traditional industries and also because Scotland suffered less damage from bombing. But this rise was artificially induced and may have been detrimental in the long run as Scottish post-war industrial production lagged behind that of the rest of Britain.

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1. Buxton, pp.554-555. See also, Anthony Slaven, The Development of the West of Scotland 1750-1960, (London, Routledge and Kegan Paul, 1975), pp.183-209 on industrial production during the inter-war years.

Table 2 - The Pattern of Industrial Production in Scotland, 1935 and 1948

Standard industrial classification order	Value of net output in each industry group, Scotland, 1948		Percentage increase in value of net output, 1935-48	
	Percentage of Scottish industrial production	Percentage of total for Great Britain	Scotland	Great Britain
2. Mining and quarrying	10.3	11.9	181	194
3. Treatment of non-metalliferous mining products other than coal	2.3	7.2	257	171
4. Chemicals and allied trades	4.0	7.2	160	181
5. Metal manufacture	7.1	10.4	218	258
6. Engineering, shipbuilding and electrical goods	20.3	11.4	422	345
7. Vehicles	4.0	5.2	319	264
8. Metal goods not included elsewhere	2.2	4.8	459	323
9. Precision instruments, jewellery, etc.	0.5	3.7	409	254
10. Textiles	9.6	10.5	158	185
11. Leather, leather goods and fur	0.7	7.1	287	234
12. Clothing	1.7	4.1	168	148
13. Food, drink and tobacco	11.6	12.3	160	121
14. Manufactures of wood and cork	2.4	9.9	278	203
15. Paper and printing	5.5	9.9	134	133
16. Other manufacturing industries	1.9	8.5	174	247
17. Building and contracting	11.8	10.7	302	231
18. Gas, electricity and water supply	4.1	7.6	133	128
Total industrial production	100.0	9.4	225	207

Source: Census of Production in Leser, p.73.

Table 3 - Industrial Production in Scotland and in the United Kingdom, 1948 and 1951 (1948 = 100)

Industry group	Scotland 1951	United Kingdom 1951
Mining and quarrying	100	108
Chemicals and allied trades	114	134
Metal manufacture	109	115
Engineering, shipbuilding and electrical goods	128	127
Vehicles	112	124
Metal goods not included elsewhere	127	113
Textiles	123	119
Clothing	107	111
Food, drink and tobacco	103	105
Building and contracting	104	101
Gas, electricity and water supply	111	124
Total : manufacturing industries	116	121
Total : all industries	112	117

Source: Monthly Digest of Statistics and Digest of Scottish Statistics, in Leser, p.72.

The rise in production was notably greater in the United Kingdom. The exceptions to this trend were building and building materials, textiles, and miscellaneous metal goods which were greater in Scotland. The increase was apparently about the same in Scotland in engineering and shipbuilding as in the rest of Great Britain.

In terms of broad industrial groups there was superficially no great difference between the industrial pattern in Scotland and Great Britain as a whole, though Scotland had more emphasis on primary production.

There was, however, a predominance of heavy engineering in Scotland to a much greater extent than in England and Wales, and often this made Scotland more vulnerable to fluctuations in employment. The newer engineering industries, which were poorly represented in Scotland, had developed large export markets so that Scotland's share of engineering exports was diminished.[1]

It had, quite reasonably, been expected that Scottish industrial production following the war would have kept better pace with production in the rest of the country; unemployment became as negligible in Scotland as elsewhere, also many new industries had been started, as well as various established industries relocating and expanding. Instead there was a much slower rise in Scotland, the classic example being the coal-mining industry in which the divergence of the trend between Scotland and the rest of Great Britain was startling.[2] Although unemployment was low and demand greater than supply in Scotland following the Second World War, production remained sluggish. Hence, although the increase of industrial production was one of Scotland's major economic goals throughout the immediate post-war years, it was not achieved as rapidly or as extensively as had been hoped.

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1. Leser, pp.71-72.
2. See pp.193-195 on production in the Scottish and British coal-mining industries.

3. The Scottish Office

(i) The Scottish Office

The Scottish Office was the body which was most responsible for implementing the Labour Government's wishes in Scotland during the immediate post-war years as well as representing the Scottish viewpoint in London. The actual statutory powers of the Scottish Office were in fact limited during these years. In the area of social security, unemployment benefits had been moved from local government to a national authority - the Unemployment Assistance Board - in 1934, and in 1945 health and pensions insurance was transferred from local authorities to the Ministry of National Insurance. Later in 1948 the remainder of public assistance was transferred from local authorities to the National Assistance Board, this was an enlarged version of the Unemployment Assistance Board. When the National Health Service was given to the Scottish Office, this of course immediately raised the prestige and power of the Department of Health for Scotland in the Scottish Office; more importantly, though, it meant that the administration of the 'welfare state' was completely split between Scottish and British Departments.[1]

The Scottish Office was headed by the Secretary of State for Scotland and had its headquarters at St. Andrews House in Edinburgh. There was also a small office in Whitehall at Dover House, which served as a centre for liaison with the Whitehall departments as well as a base

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1. Kellas, The Scottish Political System, p.35.

for the conduct of parliamentary business.[1] The ministerial 'team' at the Scottish Office during the 1945-1951 years included the Secretary of State and two Under-Secretaries of State. The Secretary of State personified 'Scottish Government'. It was partly a proconsular role : if he 'speaks for Scotland' in London, he also 'speaks for London' in Scotland.[2] Thus a study of the six Scottish Secretaries of State who held office during the 1945-1951 years is appropriate - and in fact vital.

(ii) The Secretary of State for Scotland

(a) Tom Johnston (1941-1945)

During the World War II years Scotland experienced the most dynamic leadership it has ever felt from the Scottish Office. Much of the credit for this is due to the personality and vigour of the Secretary of State for Scotland from 1941 to 1945, Thomas Johnston. Johnston was a socialist and ex-editor of Forward, the Glasgow Independent Labour Party (ILP) newspaper.[3] He later stood as the Labour M.P. for West Stirlingshire. From 1929-1931 he was Parliamentary Under-Secretary of State under William Adamson, the first Labour Secretary of State. Johnston was also Lord Privy Seal, but MacDonald's Government did not last long enough for him to make any significant progress in this position. In 1939 he was made Regional Commissioner for Civil Defence in Scotland.[4]

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1. Ibid., p.25.
2. Ibid.
3. James G. Kellas, Modern Scotland, (London, George Allen and Unwin, 1968), p.100.
4. George Pottinger, The Secretaries of State for Scotland 1926-1976, (Edinburgh, Scottish Academic Press, 1979), pp.89-90.

The explanation of the rise of power of the Scottish Office in these years lies mainly with the exigencies of war. It was because of war-time conditions that Johnston was allowed virtual free rein in the Scottish Office. This type of situation was possible because of the good working relationship between Churchill and Johnston : Churchill having agreed to Johnston's stipulation in 1941 that if he accepted the position he should be allowed to set up a Council of State, comprised of all living ex-Secretaries of State for Scotland irrespective of party. The Council was eventually to include four ex-Secretaries of State, viz. Archibald Sinclair, (Liberal, 1931-1932); Walter Elliot, (Conservative, 1936-1938); D. J. Colville, (Conservative, 1938-1940); and Ernest Brown, (Conservative, 1940-1941).[1] Robert Munro, Lord Alness, the one surviving Scottish Secretary, also joined this group.[2] The Council met periodically from 1941-1945 to examine the problems of post-war reconstruction. It was with their approval that Johnston set up investigations into the issues of hydro-electricity, the herring industry, hill sheep farming and land settlement.[3] Johnston was able to count on Churchill's backing whenever the Council of State were in agreement on a Scottish issue.

Johnston's loyalties were without doubt to Scotland, but he never developed any sympathy towards the Scottish Nationalist Movement.[4]

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1. Ibid., pp.97 and 201.
2. The Minister for Scottish affairs was called Secretary of State for Scotland only after 1926, before this time they were referred to as Scottish Secretaries. Sir David Milne, The Scottish Office, (London, George Allen and Unwin Ltd., 1957), pp.8-9.
3. Pottinger, p.91.
4. See Tom Johnston, Memories, (London, Collins, 1952), pp.231-232, for a discussion of Robert Muirhead, the first chairman of the National Party in Scotland (in 1927) and an advocate of a Home Rule Parliament for Scotland.

Johnston instead sought a solution to Scotland's economic difficulties by 'gaining recognition of Scottish requirements within the existing framework'.[1] What he desired as a first step was a Scottish Council of Industry and Development. Thus in February 1942 the Scottish Council on Industry was formed.

According to Kellas, this body served an important function simply by improving the Scottish Office's industrial contacts. It was an independent body composed of representatives of Scottish economic interest groups (whose funds supported it) and of representatives of three Scottish Government departments. Whether or not the Council was primarily responsible, its formation coincided with the rapid improvement of Scottish production - between 1942 and 1945 700 new industrial enterprises were created involving 90,000 jobs. Also the Ministry of Supply was persuaded to commit £12 million on factories and plant materials.[2] It needs to be stated, however, that even before 1939 much work had been already done by the Scottish Office to co-ordinate industrial development in Scotland.

An earlier advisory body, established by the Scottish Office in 1930, the Scottish Development Council, had been significant especially for its publications in the late 1930's. The Scottish Economic Committee, a select group of the Scottish Development Council, published a report on the Highlands and Islands (1938) and a book entitled Light Industry in Scotland (1938),[3] and in January 1939 its General Report

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1. Pottinger, p.93.
2. Kellas, Modern Scotland, p.101 and Johnston, p.151.
3. See, Light Industries in Scotland. A Case for Development, (Great Britain, Scottish Economic Committee Publication, 1938), pp.7-9.

entitled 'Scotland's Industrial Future - The Case for Planned Development'. Thus, before the advent of the Second World War, there was already much interest in the Scottish Office in economic planning, especially directed towards overcoming Scotland's structural disadvantage and to relieve the high unemployment in the region then known as one of the Special or Depressed Areas, later to be renamed Development Area (1945).[1]

These two bodies, the Scottish Council of Industry and the Scottish Development Council, were merged at a meeting in St. Andrews House, Edinburgh in June 1946 and renamed as the Scottish Council (Development and Industry).[2] The origin of this important initiative must be mainly attributed to Sir Steven Bilsland, Chairman of the Scottish Industrial Estates Ltd., but the idea had long been a favourite of Tom Johnston.[3] Bilsland was appointed by Westwood, the Secretary of State in 1946, as President of the newly formed Scottish Council (Development and Industry).[4]

The duties of the Scottish Council (Development and Industry) covered the advancement of all areas of the Scottish economy, with regards to both traditional and new industry. In respect to industrial reconstruction the Council was responsible for the supervision of

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1. See also, R. H. Campbell, 'The Scottish Office and the Special Areas in the 1930's', The Historical Journal, 22 (1976), 167-177.
2. The Scottish Council (Development and Industry), Annual Report 1946-1947, (Edinburgh, 1948), p.1.
3. Personal interview with J. H. McGuinness, C.B., former Assistant Under Secretary of State at the Scottish Office and former Chairman of the Scottish Economic Planning Board, on 20 April 1982 in Edinburgh.
4. Annual Report 1946-1947, p.2.

existing industries in Scotland; the examination of the relationship of Scottish industry to the trade organisations; communication with firms interested in locating in Scotland; the promotion of training for management; and the promotion of the following items : light engineering, plastics, building materials, white fish and shell fish, the crofter woollen industry, food preservation, tourist industry, Forth-Clyde Ship Canal, transport, the chemical industry, etc.[1] The future outlook for Scotland depended not only on the solutions of problems arising from the war but also from the pre-war deficiencies of the Scottish industrial structure. Thus, Whitehall and the Scottish Office were eager not only to bring production back to pre-war standards and then beyond, but also to introduce new and relocated industry into Scotland - especially in the Scottish Development Area.

Milne, in his book on the Scottish Office, describes the special relationship between the Scottish Office and the Scottish Council (Development and Industry) as 'one of the most interesting examples of that partnership of official and voluntary effort which is common in modern administration'.[2] Originally the Scottish Council of Industry was set up by Tom Johnston as an independent quango, a quasi-non-governmental organisation, (the meetings of the Council and its committees were usually held in St. Andrews House).[3] In actual fact both it and, to a greater degree, the Scottish Council (Development and Industry) functioned as semi-governmental bodies. The financial support of the Scottish Council (Development and Industry) came from the

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1. Ibid.
2. Milne, p.174.
3. Ibid.

Government, unlike the monies for the Scottish Council of Industry which had come from Scottish economic interest groups. Appointments of the senior members of both groups had always been made by the Scottish Secretary of State. Thus the Scottish Council (Development and Industry) was, in Milne's words, 'an independent body maintaining itself on public subscription and representing all the interests concerned in Scottish economic affairs - the chamber of Congress, the Scottish T.U.C., the banks, the local authorities and many influential individuals'.[1] The Council was very active in stimulating developments to aid the Scottish economy, especially in promoting a better balance of development in the Scottish industrial structure, for until the post-war years Scotland had lagged behind England in terms of light industrial development. Also the Council was successful in attracting new industry. This was seen most dramatically in terms of the North American firms moving to Great Britain, of which 80 per cent moved to Scotland. Johnston's label of the Scottish Council as an 'industrial parliament'[2] still seems an apt description.

Throughout the war-years Johnston would never participate in any direct way towards 'the war effort' (through rallies, etc.) : this is perhaps attributable to his Glasgow ILP background. His energies were entirely directed towards planning post-war reconstruction in Scotland. McGuinness believes that Johnston was offered the position of Minister of Reconstruction, later held by Lord Woolton, but declined,[3] presumably because he saw himself as a Scottish statesman rather than a United

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1. Ibid.
2. Pottinger, p.94.
3. McGuinness Interview.

Kingdom one. Certainly, on the narrower stage, he was a very effective one.

One of the mysteries of his career is why, after such a distinguished period in the Scottish Office, and one in which he had directed its attention to the importance of planning post-war reconstruction, he did not continue as Secretary of State in 1945. In fact, he resigned to head another body which he had been instrumental in creating, the North of Scotland Hydro-Electric Board, the aim of which was to bring electricity (and thereby it was hoped, new jobs) to many parts of the Highlands for the first time. The Hydro-Electric Board had by 1946 four major schemes - the Loch Sloy Project, the Tummel-Garry and Loch Fannich Schemes and the Glen Affric Project. In addition the Board had many distribution schemes including projects at Lochalsh, Morar, Gairloch and Aultbea, Bea and South Cowal, Orkney, North Cowal, Skye, Lochcarron and Arran.[1]

The situation changed again (and dramatically) in 1948 when electricity was nationalised. The Board then acquired sixteen local authority and private company undertakings, with 18,424 consumers and power stations, with a total capacity of 230,000 kilowatts. The Board also had its original responsibility of extending electricity supplies to another 100,000 consumers, most of them in rural areas.[2] Nationalisation placed the Board in charge of all the Hydro-Electric companies in the North of Scotland. Because of the special problems of this

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1. Hamish MacKinven (Assistant Information Officer of the North of Scotland Hydro-Electric Board), Highland Hydro-Electricity, (Glasgow, An Comunn Gaidhealach, Highland Information Series No.28, 1972), p.3.

2. Ibid., p.3.

isolated area, the Hydro Board was permitted to retain administrative autonomy in its affairs,[1] its responsibility covering over 21,600 square miles - from the Mull of Kintyre northwards to Shetland, from the outermost Western Isles to Buchan Ness in the north-east, and stretching south to include Dundee, Perth and the Island of Arran.[2] Perhaps rather strangely, considering its leadership by Johnston, the Board saw its primary duty as the generation of energy and did not energetically or directly try to promote the social and economic welfare of the Highlands. There were isolated projects according to Johnston - 'the encouragement of stone quarrying, a trout laboratory at Faskally, and experiments with the gas turbine'[3] - but this did not amount to much. Although, therefore, not an unqualified success, the North of Scotland Hydro-Electric Board during these years did by its example pave the way for the Highland and Islands Development Board created in 1965.[4]

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1. Ibid.
2. Ibid. The South of Scotland Board did not come under the Scottish Office until 1954. Kellas, Modern Scotland, p.101.
3. Pottinger, p.95.
4. Ibid., pp.91 and 167-168.

(b) The Earl of Rosebery (1945)

In 1945 Churchill appointed the sixth Earl of Rosebery to be the Scottish Secretary of State in the Caretaker Government,[1] an eccentric choice for the post-war era that recalled earlier days when the Scottish Secretary was generally a grandee.[2] Before he could show his paces, however, he was quickly replaced in July of that same year because of the victory of Attlee's Government in the British General Election of 1945. He later served as Chairman of the Scottish Tourist Board.

There was never any serious thought of Rosebery being anything more than an interim Secretary of State during the Caretaker Government. Mr. McGuinness, a senior retired civil servant at the Scottish Office, who worked with all the post-war Secretaries of State, described Rosebery in an oral-history interview as 'an effective operator', and 'very astute' but reinforced the view that Rosebery's appointment was 'totally a stop-gap measure'. McGuinness expressed the popular belief

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1. See, Tom Johnston's Our Scots Noble Families, (Glasgow, Forward Publishing Co., 1919). 'The book was an undisguised indictment of the landed classes in Scotland' (Pottinger, p.87). Johnston's starting comments on the Rosebery family: 'The Primroses, the family to which the Earl of Rosebery belongs, have sprung up in comparatively recent times; and consequently they have not had many opportunities of perpetrating land robberies or of steeping themselves in deceit, cruelty, and blood' (Johnston, p.8). The sixth Earl of Rosebery succeeded Johnston as Regional Commissioner for the Scottish Region in 1941, as Secretary of State in 1945 and eventually as Chairman of the Scottish Tourist Board. Latterly Johnston admitted that the series of tracts in Our Scots Noble Families tended to be one-sided, and in public he and Rosebery displayed an appearance of respect for each other. Rosebery would add that he expected to see Johnston following him as Senior Steward of the Jockey Club (Pottinger, p.88).

2. Pottinger, pp.100-101. It was during Rosebery's months in office that the Scottish Office moved back to its original residence at Dover House (London), which had been vacated for war-time purposes.

at the time that the best thing Rosebery did in office was not to oppose the 1945 Distribution of Industry Act - the only major piece of legislation passed by the Caretaker Government. During his few weeks at St. Andrews House civil servants were known to crowd round Roseberry after meetings at the Scottish Office not for advice or debate, but for tips on his racehorses.[1]

(c) Joseph Westwood (1945-1947)

Joseph Westwood became the Scottish Secretary of State by virtue of his long service as a Scottish M.P. for Peebles and South Midlothian from 1922, and for Stirling and Falkirk from 1935 on, and as a Junior Minister. He was Parliamentary Under-Secretary of State[2] for Scotland in 1931 and again from 1941 to 1945 under Johnston. Westwood's tenure in office demonstrated rather cruelly the difference in what was expected of a Junior Minister and of a Secretary of State. As a Junior Minister the ability to get along with officials plus a good grasp of the routine of the position were sufficient qualifications. But the office of Secretary of State required many duties that could not be delegated, including Cabinet business, senior appointments, the overall direction of policy of the Office and his activities as Scotland's Minister.[3] The failure of Westwood in this respect contrasts directly with the numerous successes of Johnston, many of which were achieved by dint of his determination.

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1. McGuinness Interview.
2. Pottinger, p.101.
3. Ibid., p.102.

It is evident that the personality of the Secretary of State was closely correlated to the power of the Scottish Office. But other factors worked against Westwood as well. One such barrier was the resentment felt by many of the English departments over the free rein Johnston had had in the Scottish Office and of Johnston's close working relationship with Churchill. This feeling developed into reaction against the Scottish Office during the 1945-1947 tenure of Westwood. Also the removal of war-time conditions limited the scope of power that would be available to any post-war Scottish Secretary of State.

The issue of the housing shortage was paramount during these immediate post-war years. This was Westwood's main concern during his years in office.

> The Government were (sic) committed to a strenuous campaign to build both temporary and permanent houses. As an incentive, the Housing (Financial Provisions)(Scotland) Bill of 1946 practically doubled the Exchequer subsidies on houses built by local authorities, and paid it retrospectively on houses completed after March 1944.[1]

Unfortunately the difficulties were great. There were not enough trained technical staff, and nearly all the materials required, timber, steel, slates and electrical components, were in short supply.[2] Westwood's reputation was further damaged when his target of 24,000 houses in 1947 was not met. Already, in April of that year, Westwood had to admit there was no hope of his target being met, for in the first five months of the year only 7,500 houses had been completed, and there

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1. Ibid., p.103. See, pp.133-136 on Housing.
2. Ibid. See also, S.E.C.S., 1947, p.3; and G.H.T.R., 1950, p.29.

was now a shortage of bricks and cement.[1] Also, according to the 14 June Economist, the building labour force, the price and supply of materials to sites, were all fixed and could not easily be altered.[2] According to Pottinger, none of this was Westwood's fault but he was severely criticised for not securing better co-ordination between the Supply Departments.[3]

Sir Robert Grieve, Chief Planner at the Scottish Office at this time and later Chairman of the Highlands and Islands Development Board, described Westwood in an oral-history interview as being "out of his depth". Grieve felt that Westwood's highly Christian and idealistically socialist beliefs made him too idealistic for this position. On the other hand, Grieve stressed that no one man could have solved all the problems he was confronted with at the conclusion of the Second World War[4] - although this cannot absolve Westwood of all blame. McGuinness also defended Westwood as "an honourable little man" and referred to him as "Wee Joe". Although he was "the right man for the wrong time", McGuinness gave him the credit for holding Glasgow in check (at a time when the Glasgow Corporation was thoroughly obstreperous) by his quiet determination not to allow the city to continue to develop outwards without a green belt.[5] But in a sad way,

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1. Ibid.
2. 'Inquiries into Building Costs', The Economist, 152 (1947), 954-955.
3. Pottinger, p.103.
4. Personal interview with Sir Professor Robert Grieve, former Chief Planner at the Scottish Office and former Chairman of the Highlands and Islands Development Board, at Stranraer on 13 April 1982.
5. McGuinness Interview.

both Grieve's and McGuinness' comments serve to reinforce the feeling that Westwood was effectively a failure as Secretary of State for Scotland, although he was by all accounts a very nice person. The manner of his going emphasises his ineffectiveness. In a television interview Attlee recalled how summarily he dismissed Westwood : he viewed this as an example of a Prime Minister 'having of necessity to be a good butcher, but the impression left was somewhat callous'.[1]

(d) Arthur Woodburn (1947-1950)

The appointment of Arthur Woodburn in 1947 was greeted with much enthusiasm. Woodburn had been Secretary of the Scottish Labour Party until he entered Parliament in 1939 as Member for Clackmannan and East Stirling, a seat which he held until his retirement in 1970.[2] He wrote several books (which included Outline of Money (1928) and the Mystery of Money (1930)),[3] attempting to relate Socialist theory to the world market.

Unfortunately for unity at St. Andrews House this was also the time of the return of party politics. Also the power of the Scottish Office continued to decline, due in great part to Attlee's preoccupation with national issues rather than regional ones. Nationalisation and social programmes were in the hands of the Whitehall ministers, and only the National Health Service came within the Scottish Secretary of State's control at this point.[4]

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1. Pottinger, p.106.
2. Ibid.
3. See, Arthur Woodburn, Outline of Finance, (London, 1928). See also, Who's Who 1977, (London, Adam and Charles Black, 1977), p.2646.
4. Pottinger, p.107.

During Woodburn's period of office, relative levels of unemployment was still a major issue as Scotland continued to fall behind in employment figures by one-half in comparison to England. But by 1949 it was 3.2 per cent unemployment in Scotland versus 1.6 per cent in England, whereas in 1946 it had been 5.0 per cent versus 2.5 per cent.[1]

A feeling of discontent over this and other matters had been growing for some time in Scotland. The Scottish Labour Party had passed two resolutions, one in 1945 and the other in 1947, calling for an enquiry into Scottish matters. Woodburn's White Paper on Scottish Affairs (Cmd. 7308) published in 1948 took note of the Scottish people's widespread feeling of the need to deal with affairs of a purely Scottish nature.[2] An important proposal of this White Paper was to extend the powers of the Scottish Grand Committee, so that it:

> should take the second reading (as well as the committee stage) of Scottish Bills and should also consider Scottish Estimates. The eventual amendments made in the Standing Orders of the House to give effect to the White Paper provided that the Committee should consist of the Scottish M.P.s plus between ten and fifteen other Members to preserve the Party balance. There were, however, some restrictions. The Speaker must first certify that the Bill relates exclusively to Scotland. (If the Exchequer is involved this is not as simple as it sounds.) Despite these restrictions the White Paper innovations were an ingenious devolutionary experiment.[3]

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1. S.E.C.S., 1946, p.7; 1949, p.5.
2. Pottinger, p.111.
3. Ibid., p.113.

The White Paper rejected the Labour idea of an inquiry into Parliamentary devolution, administrative devolution, financial relationships and general conditions in Scotland on the grounds that it could only be properly conducted by M.P. s, it would need the services of financial experts who could not be spared and that it would take up to two years to complete. These were not very good arguments as shown by the setting up of the Royal Commission into these matters by the Conservatives in 1951. But in 1948 all that was proposed was various Parliamentary reforms and the formation of a representative Scottish Economic Conference.[1]

The main issue during these years for Woodburn was housing. His firm stance against private building, as compared to the prevailing attitude in England, has been much criticised. Pottinger's view was:

> Woodburn took a very rigid line as regards to private building. Few licences were given, and at one time there were no licences for houses built for sale. (There was much more flexibility in England.) In this Woodburn was much influenced by John (later Lord) Wheatley, a Lord Advocate of strong left wing convictions and impeccable Socialist ancestry. The outcome was not entirely beneficial. Building firms vied with each other for local authority contracts, but combined to represent that they could do far more to increase the country's housing stock but for the Secretary of State's doctrinaire approach. More unfortunately, the pattern of industrial immobility, under which the council tenant could not move to another area lest he lose his privileged tenancy, became more rigid.[2]

But according to McGuinness although Woodburn may have had the strongest doctrinaire beliefs against private building, in effect the

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1. Michael Keating and David Bleiman, Labour and Scottish Nationalism, (London, Macmillan, 1979), p.139.
2. Pottinger, p.108.

policies of Westwood, Woodburn and McNeil were the same.[1]

There were changes in the Scottish Office's attitude towards industry during the Woodburn years. Through the Distribution of Industry Panel the Scottish Office was consulted on the siting of factories, the scheduling of development areas, and the allocation of grants to industry. The Office was also given a seat on the Scottish Board for Industry (appointed by the Treasury) which gave general advice on the industrial climate. But the body which in time made the most public impact was the Advisory Panel on the Highlands and Islands.[2] Thus there was some progress made towards industrial reconstruction during Woodward's 1947-1950 tenure in office as holder of the Great Seal of Scotland.[3]

Sir Grieve described Woodburn as a "man of genuine capacity", "tough without being malicious".[4] But McGuinness differs slightly but importantly by stating that although Woodburn was "genial, outgoing and popular, most of his successes - if he had any - were achieved through geniality",[5] thereby inferring that Woodburn was not a man of genuine capacity. According to Anthony Seldon in Churchill's Indian Summer The Conservative Government 1951-1955 the reason the undynamic

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1. McGuinness Interview. See pp.169, 182 on the loosening of Government controls on private building during the immediate post-war years in Scotland.
2. Pottinger, p.110.
3. See, Milne, p.8 for a discussion of the Seal of the 'Secretary of State for Scotland' : these are the actual words on the seal, as well as the title that has been adopted for this position.
4. Grieve Interview.
5. McGuinness Interview.

Woodburn was replaced in February of 1950 by Hector McNeil was to 'play out the nationalistic feeling'.[1]

(e) Hector McNeil (1950-1951)

Hector McNeil became the last Labour Secretary of State of the period in February 1950. McNeil had won acclaim as a representative to the United Nations during the 'cold war',[2] and was better known abroad than at home when he was appointed Secretary of State, although he had been previously the Lord Provost of Glasgow and was one of the initial members of the Scottish Council (Development and Industry) in 1946.[3]

As a protégé of Bevin, he was carefully selected by Attlee not only because of his qualifications, but also as the correct choice to 'preserve the balance of power between the great triumvirate of Cripps, Bevin, and Morrison, and this delicate equilibrium extended to their protégés'.[4] McNeil was considered too young for the Foreign Office,[5] so the Secretary of State position was partially a consolation prize to McNeil for not being named Foreign Secretary.

An increase in the level of Scottish nationalism loomed on the horizon at this point and McNeil's selection was also seen as a means of dealing with this issue. One of the major reasons for this rise of

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1. Anthony Seldon, Churchill's Indian Summer The Conservative Government 1951-1955, (London, Hodder and Stoughton, 1981), p.130.
2. Palmer, p.90.
3. Scottish Council (Development and Industry), Annual Report 1946-1947, title page and p.1.
4. Pottinger, p.118.
5. At 42 McNeil was the youngest Minister ever to be appointed to take charge of the Scottish Office, when he succeeded Arthur Woodburn in February 1950 (Pottinger, p.118).

nationalism was the feeling that London did not understand the nature of Scottish economic depression,[1] coupled with dissatisfaction over the 'austerity' measures designed by Sir Stafford Cripps, the Chancellor of the Exchequer. The leading nationalist body at this time was not the Scottish Nationalist Party (SNP), but the group formed by John MacCormick - the Scottish Convention. In 1949 the third assembly of the Scottish Convention endorsed a resolution demanding home rule for Scotland, the so-called 'Scottish Covenant'. It was claimed that two million people signed this mass petition. Although many of these signatures were forged, numerous influential (and also diverse) people and groups backed the Scottish Covenant, such as Tom Johnston, the Church of Scotland and the Communist Party. This was indeed a case of 'politics making strange bed fellows'. Tom Johnston was not a supporter of home rule and his signature on the Scottish Covenant was representative of a great many other Scots who signed this petition that were not necessarily pro-Nationalism but felt this was an effective way to demonstrate their feelings that 'something needed to be done' about Scotland's political and economic problems.

MacCormick had critically damaged the Covenanters position by having earlier alienated Secretary of State Woodburn (who during the war had been very sympathetic to devolution) and thus the Scottish Office through his inept handling of a 1947 by-election at Paisley. But most importantly, it became patently obvious that this type of political 'revivalism' was not capable of exerting sustained pressure on the Government. In addition, the Covenanters did not capitalise on

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1. Palmer, p.333. See also, Arthur C. Turner, Scottish Home Rule, (Oxford, Basil Blackwell, 1952).

the opportunities available to them in the 1950 and 1951 elections. The rise in popularity of Scottish Nationalism in the 1940's did not weaken the two-party system as it was to do in the 1970's. In the 1950 election Scotland moved closer to the Conservatives (a 2.6 per cent swing) in much the same way as the English (3.0 per cent).[1]

MacCormick was indirectly involved in the stealing of the ancient Stone of Scone from Westminster Abbey on Christmas Day 1950 and smuggling it north to Arbroath.[2] Although this was a popular incident, in the long run it was counter-productive as, according to Christopher Harvie, it 'enhanced emotional nationalism rather than the moderate consensus MacCormick was trying to promote. It produced a catharsis after which the Convention's efforts seemed anti-climactic'.[3]

It is popularly believed that the only Government reaction to this surge of interest in Scottish matters was the formation in 1952 by the

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1. Kellas, The Scottish Political System, p.122. Christopher Harvie, Scotland and Nationalism, (London, George Allen and Unwin, 1977), pp.235-236. See also, Keith Webb, The Growth of Nationalism in Scotland, (Glasgow, The Molendinar Press, 1977) and also Jack Brand, The National Movement in Scotland, (London, Routledge and Kegan Paul, 1978).

2. There is a charming story of the way in which the Scotland Yard located the ringleader of the Stone of Scone incident, after they had been tipped to check the Glasgow area : the Scotland Yard Inspector enquired which was the best library in Glasgow, he then went to the Mitchell Library where he had a librarian locate every possible book on the Stone of Scone, Westminster Abbey, Scottish Nationalism, etc. One name appeared on every book as a recent borrower; the Inspector had identified the ringleader of the incident and proceeded to make the arrest. (McGuinness Interview.)

3. Harvie, Scotland and Nationalism, p.236.

new Conservative Government of the Balfour Commission on Scottish Affairs, which was in fact instructed to avoid the home rule issue.[1] But McNeil had met with MacCormick in 1950 shortly before the Nationalist publicity stunt of the Stone of Scone incident and had also set up that year the Catto Committee which was to investigate the financial and economic situation.[2] The return of the Stone removed Scottish nationalism as a headline news item and political issue.

The statutory powers of the Scottish Office were more limited at this point than they were to become later, and consisted mainly of steering firms to chosen areas by granting, or refusing, industrial development certificates.[3] But McNeil himself made strenuous efforts to attract new industry to Scotland. The Scottish Council (Development and Industry) under the leadership of Lord Bilsland continued a campaign to attract industrial investment, especially from abroad. McNeil's background of international experience served him in good stead, especially in the attraction of foreign industrial concerns, for it was North American and Japanese industry that were the most sought after. One colourful example must be cited to demonstrate McNeil's devotion to new industry in Scotland. McNeil persuaded Tom Watson, magnate of I.B.M. (International Business Machines), who he had met in New York some time earlier, to come to Scotland to inspect possible sites for a factory Watson wanted to set up. But none of the

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1. Ibid. and Kellas, The Scottish Political System, p.122.
2. Pottinger, pp.111, 113 and 123-124.
3. Ibid., p.127.

proferred locations pleased Watson.

> Then Watson indicated a couple of fields, saying this was the kind of area he wanted. McNeil did not know who owned the land, but immediately he proposed a bargain. He would provide an option on the site within a week if I.B.M., for their part, would undertake to accept it. Watson, though skeptical of whether this could be done, agreed. McNeil and his officials then roused a startled Town Clerk and identified the owner as a Dowager living in Sussex. McNeil took off in his chartered plane and before the weekend was over he had his option. In the face of strenuous opposition from Sir Hartley Shawcross who, as President of the Board of Trade, was canvassing a site in St. Helens, McNeil prevailed. An industrial development certificate was granted and I.B.M. moved to Greenock. An unorthodox, but imaginative, sortie. Morale rose in the Scottish Office.[1]

But McNeil's enthusiasm for new industry in Scotland was not entirely altruistic. He earned the title 'Secretary of State for Greenock and M.P. for Scotland' by his rejection of the New Town of Houston Bishopton because it was to be next to his constituency. McNeil defended his stance by saying he was impressed by the hostility of the people of Greenock to this scheme, which could have been true, and that he was trying to 'save' the Cart Valley. But realistically there was no doubt in anyone's mind at the time that McNeil was trying to 'save' his home constituency and preserve his voters. Even when he was still in New York at the United Nations he had sent urgent telegrams trying to quash the Houston Bishopton New Town.[2]

McNeil went out of office in 1951 with the fall of the Labour Government in the October General Election. Although he had no

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1. Ibid.
2. Grieve Interview and McGuinness Interview.

cohesive policy during his years in office he provided many solid ad hoc solutions to pressing problems. His nineteen months in office left their mark on the Scottish Office; he was a very professional politician who turned it into a more modern and business-like organisation than it had been hitherto.[1]

(f) James Stuart (1951-1957)

James Stuart, the new Conservative Scottish Secretary of State, came into office in 1951 with Churchill's new Government. As Prime Minister for the second time (1951-1955) Churchill appointed his old Chief Whip as Scottish Secretary and added a Minister of State and a third Parliamentary Under-Secretary to the Scottish Office, making five ministers in all.[2] As in the case of Johnston, Stuart was able to rely on the support of Churchill in cabinet disputes.[3] The findings of the Catto Committee appeared in July 1952. Later that year Stuart

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1. Ibid., p.128.
2. Kellas, Modern Scotland, p.103.
3. James Stuart (Viscount), Within the Fringe, (London, Bodley Head, 1967), p.162.

set up the Balfour Commission,[1] its Chairman was the Earl of Balfour, the nephew of A. J. Balfour (Prime Minister 1902-1906).[2]

Although Stuart's 1951-1957 term of office comes beyond the scope of this paper, it would not be out of place to discuss here the choice of his selection as Secretary of State. Apart from his natural leadership qualities, Stuart was singled out because of his close ties with Churchill. To cite one striking example of this:

> In 1950 when leading senior Tories began to have doubts about whether Churchill, at his advanced age, should lead the party at its next election, Stuart was selected as the only one who could report their misgivings - to no purpose as it turned out - to the great man.[3]

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1. The Catto Committee set up by McNiel did not report until July of 1952, by which time Stuart was Secretary of State. In a sense McNiel had 'bought time' for himself by appointing an investigative committee. This was indicative of McNiel's laissez-faire approach to the Nationalist issue. The Committee came to few concrete conclusions, i.e. that it was impossible to identify Scotland's imports from, exports to, and balance of payments with other countries, including the rest of the U.K. (Pottinger, p.140). The Report did conclude, much to the displeasure of the Nationalists, that Scotland did receive a greater share of domestic expenditure, but the proportion of general expenditure (for the benefit of the whole United Kingdom, such as that on defence and Government contracts) actually incurred in Scotland was probably smaller : the Catto Committee did not know (Kellas, Modern Scotland, p.103). Housing, unemployment and health were all recognised as serious problems that were not being dealt with speedily enough (Pottinger, p.140).

   The Balfour Committee was set up later in 1952. Thus the Scottish Office was once more under scrutiny, along with other departments (but not nationalised industry) in Scotland. The issue of parliamentary devolution was excluded. When the Balfour Committee reported in 1954 it suggested the transfer of highways from the Ministry of Transport to the Scottish Office. Overall the Report was not designed to appease nationalism. But by the mid-1950's this became less necessary, due to the economic recovery of these years and the reaction against the Nationalists during these years (Kellas, Modern Scotland, pp.103, 104 and 105).

2. Palmer, pp.34-35.

3. Pottinger, p.133.

Thus one might expect spectacular measures during the Stuart years, due to his close ties to Whitehall. But the prime responsibility for initiating policy rests with the Ministers and Stuart was not an innovator. And the Conservative Party, in Stuart's own words, "was not notorious for its anxiety to legislate".[1]

A positive element in Stuart's appointment was that he had friends on both sides of the House. 'He was even consulted by Nye Bevan, who sought his advice on what line he should take to counter Gaitskill's bid for the leadership of the Labour Party.'[2] And among the Scottish politicians, Tom Johnston looked on him with respect. Stuart was thus a fortuitous choice, for this was a major transition for the Scottish Office in 1951. For Stuart was to be the first Conservative Secretary of State for Scotland since Ernest Brown (1940-1941) - this is, of course, excluding the few months' tenure of Rosebery in 1945 during Churchill's Caretaker Government.

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1. Ibid., p.138.
2. Ibid., p.133.

4. Regional Plans

Following the Second World War there was a tremendous feeling of anticipation both in popular and official circles, a belief that life could be made better, and that the way it was to be done was through 'Town and Country Planning'.[1] Nevertheless, the concept did not develop overnight : the years 1909 to 1939 were the most formative, though by 1939 it was clear that planning had not yet accomplished the results that had been hoped.[2] During the war there was a renewed surge of interest in the achievement of planned goals.[3]

Under the Town and Country Planning Act of 1932 the preparation of planning schemes, better known as regional plans, was left to the initiative of the local authorities. The first step towards the preparation of a regional plan was the passing of a resolution to prepare such a scheme by the local authority. In 1943 the Interim Development Act mandated that for the immediate future it was to be assumed that every authority had in fact passed such a resolution. Hence, this meant that planning control was to be exercised over all land. The 1947 Act went one stage further : all planning authorities were required to produce a plan by 1951. The object of these development plans was to show for each area the future policy for land use and also to provide a simple method for the application of this control. This was the first

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1. Grieve Interview. See also, Robert Grieve, 'In Retrospect : 40 years of development and achievement', The Planner, (May 1980), 62-63.
2. See pp. 272-274.
3. D. Rigby Childs, 'The First Half-Century of Planning', in Sir Patrick Abercrombie, Town and Country Planning, (London, Oxford University Press, 1959), p.250.

time that town planning had become a national objective. These new planning powers were to be exercised by 145 separate authorities, which were either County Council or County Borough Councils. This reduced by nine-tenths the number of previous separate planning authorities.[1]

There were two tiers of regional plans. The best plans were executed by trained planners, most of these plans - throughout Britain - were submitted by 1947-1948. The local authority plans were due by 1951 but most were submitted somewhat later. Most of the smaller authorities could not afford to hire a professional planner to research and write their Regional Plan. For example, this was the case for the Regional Survey of the County of Fife, Fife Looks Ahead.[2] Hence, the nearest local official, such as an engineer or architect, was technically put in charge of the project and a young trained planner (usually English or Welsh) was brought in - often from the Scottish Office Planning Department - who was qualified yet not so well-known as to be unaffordable. The planner's salaries and all other costs of producing the regional plan were paid for out of local monies.[3]

There were two large-scale regional plans done in Scotland at this time. The best known and most influential plan was that of Sir Patrick

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1. Ibid., pp.259-261.
2. See, the Report of the Fife County Council Planning Advisory Committee, Fife Looks Ahead A Regional Survey of the County, (Edinburgh, C. J. Cousland and Son Ltd., 1946).
3. Grieve Interview.

Abercrombie, The Clyde Valley Regional Plan 1946.[1] Abercrombie was also involved during the later war years in writing the County of London Plan, formulated at the same time as the Clyde Valley Plan; he used to shuttle quite regularly between Glasgow and London during these years. Grieve described Abercrombie as a "small, dynamic, bird-like man", a "cultivated man, a collector of Chinese ceramics". Abercrombie's energy transferred itself to his deputy planning consultants and they credit him for the detail and accuracy of the Report.[2]

There was a varied approach to the post-war regional plans. Thomas Sharp produced for Durham, Exeter and Oxford very meticulous plans of these individual cities. The Abercrombie approach, on the other hand, did not pay close attention even to local authority boundaries but gave a 'bird's eye' view of a region.[3]

The Scottish Office was involved with the Clyde Valley Plan in several capacities. Tom Johnston, on the recommendation of Mr. J. H. McGuinness, had set up the Clyde Valley Regional Planning Committee during the war.[4] Upon completion of the plan, the local authorities in the Clyde Valley refused to pay for the publication of the plan as it contained many policies unpalatable to them, such as overspill. Thus the Scottish Office paid for the publication of the Clyde Plan

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1. Sir Patrick Abercrombie and Robert H. Matthew, for the Clyde Valley Regional Planning Committee, The Clyde Valley Regional Plan 1946, (Edinburgh, H.M.S.O., 1949). See also, Sir William E. Whyte (for the) Clyde Valley Regional Planning Advisory Committee, Report by Advisory Committee to the Constituent Local Authorities, (Hamilton, Hamilton Advertiser, Ltd., 1947).
2. Grieve Interview.
3. Childs, pp.252 and 254.
4. McGuinness Interview. See also, Robert Grieve, 'The Clyde Valley Plan - A Review', (a paper delivered at the Town and Country Planning Summer School held at the University of St. Andrews, 1954, under the auspices of the Town Planning Institute).

and also arranged its printing at the H.M.S.O. office in Edinburgh,[1] an indication of their eagerness to have it circulated. This was the only Scottish regional plan to receive such attention; this was due primarily to the fact that it was dealing with a great deal of the Central Industrial Belt.

Sir Frank Mears produced a very different regional plan for the east of Scotland, the Regional Plan for Central and South-East Scotland.[2] The son-in-law of the famous planner, Patrick Geddes, Mears approached his work in a very different manner than Abercrombie. The Mears plan was much more vague than the Clyde Plan; this was deliberate strategy as the main criticism of the Clyde Valley Plan was that it did not leave room to manoeuvre.[3]

There were several other significant Scottish regional plans which should be mentioned in passing. One was the Tay Valley Plan (1950),[4] which encompassed Dundee and its surrounding area. The other, A Civic Survey and Plan for Edinburgh (1949) - which was also prepared by Patrick Abercrombie - is most fondly remembered for its suggestion to build an alternative road underneath Princes Street to relieve traffic congestion.[5] This was purely a 'coffee table' book, a Civic Survey; it made no attempt, nor was it intended, to be a regional plan.

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1. Grieve Interview and McGuinness Interview.
2. Sir Frank Mears, for the Central and South-East Scotland Regional Planning Advisory Committee, A Regional Survey and Plan for Central and South-East Scotland, (Edinburgh, Morrison and Gibb, Ltd., 1948).
3. Grieve Interview.
4. See, Robert Lyle and Gordon Payne, for the Tay Valley Regional Planning Committee, The Tay Valley Plan, (Dundee, Burns and Harris, Ltd., 1950).
5. Patrick Abercrombie and Derek Plumstead, for the Town Council, A Civic Survey and Plan for the City and Royal Burgh of Edinburgh, (Edinburgh, Oliver and Boyd, 1949), p.42.

The content of the regional plans varied both in character and style. The Clyde Plan and Mears plan each discussed the economic activity of their area and stressed the necessity of new industry. But the Mears plan was much more vague about specifics and consequently was both less controversial and less effective. The main recommendations of the Clyde Plan were New Towns, Green Belt, Overspill, etc. These concepts were not new to the Clyde Plan but the influence of the Plan contributed to the eventual acceptance of these ideas for the Glasgow region.

The heyday of these planning reports came just after the war. But the general public quickly became disenchanted with the concept of planning when the immediate results - such as building - that they had been promised in the regional plans, etc., did not occur.

Although White Paper planning for post-war reconstruction began in full force before the war was over, and although regional plans were published in the 1945-1951 period, it was not until 1951 that the main reconstruction programmes were actually begun. There was very rapid development in legislation but the immediate tangible results were, according to Childs, both 'meagre and lacking in quality'.[1] The Labour Government's policy in action was focussed on the social side on housing, and on the economic side on factory building in the Development Areas and the major industrial centres, on nationalisation, and on the hydro-electricity schemes of the Highlands. Economic conditions did not allow any building that was not strictly utilitarian in nature. Nevertheless, this did not prevent rapid disillusion of the general public

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1. Childs, pp.266-267.

with planning; they were expecting the changes promised in the regional plans and did not take account of the difficulty in putting them into action in bleak economic conditions.

In 1951 when the Tories returned to power, members of the Planning Department (a pre-war body of the Department of Health) of the Scottish Office were told by a Conservative official for James Stuart, the new Scottish Secretary of State : "We now have a Conservative Government and it is not for planning and my advice to you is to keep your heads down collectively". Although the Planning Department, headed by Robert Grieve, was not disbanded it never regained the influence it had after the war : the regional plans fell from power in the same manner. Nevertheless, the regional plans were significant not only as a post-war phenomenon but also as a framework to base post-1951 reconstruction.[1]

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1. Grieve Interview.

Chapter Three

Population and Unemployment Patterns

1. Population Growth and Movement

(i) Scotland's Population

The estimated total population of Scotland at 30 June 1946 was 5,135,000. This represented an increase of 128,400 over the corresponding figure (5,006,700), at the same date in 1939. As in the rest of Britain the bulk of the increase occurred in the over-65 age group, but the number in the 15-65 age group increased by 43,500 from 3,372,100 to 3,415,000.[1]

The population in Scotland continued to rise steadily from 1946-1950. This was due to the fact that the pre-war birth rate in Scotland was maintained throughout the Second World War, which was in sharp contrast to the drop in births during the First World War. Nevertheless, following the Second World War the 'baby boom' was of the same order of magnitude as that after the First World War, and thus it did much more than merely catch up on births postponed by war. The latter 'baby boom' was, however, short-lived and only three years - 1946, 1947 and 1948 had markedly higher birth rates. From 1950-1955 the birth rate dropped so significantly that it was only marginally above the historic low level of the 1930's.[2]

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1. I. and E., 1946, p.5. See, Ninety-Second Annual Report of the Registrar General for Scotland 1946, (Edinburgh, H.M.S.O., 1948), p.20, Table G(2); note decrease in death rate of persons 65 years of age and older.

2. Stephen Kendrick, Frank Bechhofer, David McCrone, Working Paper 1 : Demography, Social Structure of Modern Scotland Project, (S.S.R.C. H.R. 6948, University of Edinburgh, unpublished study), p.30. See also, Rosalind Mitchison, British Population Change Since 1860, (London, Macmillan, 1977), especially pp.33-34 and 59-60.

Table 1 - Birth-Rate in Scotland, 1931-1951

	Crude birth-rate per 1,000 population	Births per 1,000 women aged 15-44	Legitimate births per 1,000 married women aged under 45	Illegitimate births per 1,000 unmarried women aged 15-44
1931	19.0	79.8	168.3	10.3
1932	18.6	78.4	164.3	9.9
1933	17.6	74.5	154.7	9.2
1934	18.0	76.5	156.8	9.4
1935	17.8	74.9	152.4	9.0
1936	17.9	75.1	151.4	9.1
1937	17.6	73.7	147.2	8.6
1938	17.7	74.0	146.1	8.7
1939	17.4	72.1	141.1	8.3
1940	17.1	71.4	137.0	8.3
1941	17.5	73.5	138.1	9.6
1942	17.6	74.2	135.9	10.7
1943	18.4	78.7	140.6	12.3
1944	18.5	79.9	141.5	13.1
1945	16.9	73.1	126.1	13.3
1946	20.3	89.5	158.0	12.6
1947	22.0	99.1	171.5	12.2
1948	19.4	88.7	150.2	11.5
1949	18.5	85.4	144.0	10.6
1950	17.9	83.4	139.8	10.0
1951	17.7	80.2	132.2	9.6

Source: Ninety-Seventh Annual Report of the Registrar General for Scotland 1951, (Edinburgh, H.M.S.O., 1953), p.10.

The general trend of the birth-rate per 1,000 married women (column 3) was similar to that of the crude birth-rate (column 1) and births per 1,000 women aged 15-44 (column 2), although in several cases it showed a decline in a year when general fertility increased. The illegitimate

birth-rate per 1,000 unmarried women rose steadily from 1940-1945 during the war but fell during the immediate post-war years.[1]

Mortality was much higher in Scotland than in England and Wales following the Second World War. Although the death-rate had fallen dramatically for all of Great Britain since the early part of the twentieth century, the fall was markedly more pronounced in England and Wales. During 1950-1952 the death-rate per thousand of the population for males was 13.2 for Scotland and 12.7 for England and Wales. But this type of crude death-rate was not the best indicator of true mortality conditions as it was influenced by the age-distribution of the population. Hence, the following figures give the more standardised rate of 'expectation of life at birth' and its reciprocal the 'life-table death-rate'.[2]

Table 2 - Expectation of Life at Birth and Life-Table Death-Rate

	Males		Females	
	Scotland	England and Wales	Scotland	England and Wales
Expectation of life (years) 1948-1950	64.1	66.3	67.8	71.0
Life-table death-rate (per thousand)	15.6	15.1	14.7	14.1

Source: Figures taken from Leser, p.22, Figure 8.

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1. Ninety-Seventh Annual Report of the Registrar General for Scotland 1951, (Edinburgh, H.M.S.O., 1953), p.10.
2. C. E. V. Leser, 'Births and Deaths', in Cairncross, pp.21-22.

The rate of natural increase was, however, considerably higher in Scotland than in England and Wales due to a higher fertility rate in Scotland. In 1950-1952 the legitimate births per thousand married women aged 15-44 was 134 for Scotland but only 105 for England and Wales. Nevertheless, abnormally high rates of migration away from Scotland accounted for the much lower rate of increase in the Scottish population from that of England and Wales.[1] This, along with the fall in the birth-rate helps to account for the fact that in 1951 there was actually a significant drop in population as table 3 shows.

Table 3 - Scotland's Population

1939	5,006,700
1946	5,135,100
1947	5,138,600
1948	5,169,200
1949	5,207,000
1950	5,218,900
1951	5,113,900

Source: I. and E., 1946, p.5; 1947, p.8; 1948, p.7; 1949, p.6; 1950, p.7; 1951, p.8.

(ii) Distribution of Population by Regions

There was a change in the balance of population between the various regions within Scotland. It is remarkable that Glasgow and Clydeside grew no faster than the country as a whole. This was due in

1. Ibid., pp.29-32.

great part to migration both to England and overseas. Nonetheless, there was a very marked movement away from the remote rural areas; a portion of this went into villages and towns in those areas. 'In the Highlands, for example, the landward area showed a fall of 8% between 1931 and 1951 (in Caithness, Sutherland and Shetland, a fall of about one-sixth) while towns like Inverness, Stornoway and Fort William continued to grow.'[1]

Table 4 - Changes in Population in Great Britain, 1931-1951

Division*	Population of divisions at selected censuses thousands		Percentage distribution of population by areas
	1931	1951	1951
West Central	2,308	2,424	47.5
East Central	1,305	1,416	28
Southern	251	256	5
Northern	979	1,000	19.5
Scotland	4,843	5,096	100
England and Wales	35,952	43,745	-

* West Central division : Dunbarton, Ayr, Renfrew and Lanark

East Central division : Fife, Clackmannan, Stirling, West Lothian, Midlothian, East Lothian, and City of Dundee

Counties to the North and West and to the South and East of these are included in Northern and Southern divisions respectively.

Source: Census of Population (Scotland) 1931 and 1951, in Robertson, p.11.

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1. D. J. Robertson, 'Population Growth and Movement', in Cairncross, p.11. See also, Adam Collier, The Crofting Problem, (Cambridge, Cambridge University Press, 1953), especially pp.128-141, on the 'Decline of Population' in the Highlands. See also, R. S. Barclay and F. Fraser Darling, 'Population', in F. Fraser Darling, ed., West Highland Survey, (Oxford, Oxford University Press, 1955), pp.69-149.

Scotland was a highly urbanised country with one large conurbation and four large cities. Although there was only one conurbation in Scotland, as compared to six in England and Wales, this one conurbation contained 35 per cent of the population. At the 1951 Census, people dwelling in urban communities of over 1,000 persons totalled 83 per cent of the Scottish population.[1] In the central divisions of Scotland, as defined in the following table, where three-quarters of the population lived, 92 per cent were urban dwellers in 1951; in the Northern and Southern divisions these figures were 62 per cent and 52 per cent respectively.

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1. Census of Population (Scotland), 1951, Vol. II, in Robertson, p.12.

Table 5 - Population of Regions of Scotland, 1931-1951

Region*	Population (thousands)		Percentage increase in population
	1931	1951	1931-1951
Glasgow and Clydeside	2,326	2,444	5
Edinburgh and Lothians	655	707	8
Stirling and Clackmannan	198	225	14
Dundee and East	675	717	6
Aberdeen and North-East	444	462	4
South-West	141	148	5
Borders	110	108	-2
Crofting Counties	293	286	-2
Scotland	4,843	5,096	5
England and Wales	39,952	43,745	9

* Glasgow and Clydeside : Renfrew, Lanark, Ayr, Dunbarton and Bute

Edinburgh and Lothians : East Lothian, Midlothian and West Lothian

Dundee and East : Fife, Kinross, Perth and Angus

Aberdeen and North-East : Aberdeen, Banff, Moray, Kincardine and Nairn

South-West : Wigtown, Kirkcudbright, and Dumfries

Borders : Peebles, Selkirk, Berwick and Roxburgh

Crofting Counties : Orkney, Shetland, Argyll, Inverness, Ross and Cromarty, Sutherland and Caithness

Source: Census of Population (Scotland) 1931 and 1951, in Robertson, p.12.

In investigation by the Social and Economic Research Department of Glasgow University, it was found that in 1950-1951 Glasgow and the north-east and south-east coastal regions lost significant numbers of

people by migration, specifically to Edinburgh, Aberdeen, the Borders, the Lothians and East Scotland.[1] This shift in the industrial population can be traced to the attempt to bring in new industry and to relocate existing industries, both of which were aimed at better balancing the Scottish industrial sector.

(iii) Immigration

There was a great deal of population movement which resulted not only in migration but also in immigration into Scotland. Thus the Census of Population (Scotland) 1951 showed the interesting mix of nationalities resident in Scotland that year. According to the One Per Cent Sample Tables of the Census of Population 1951, in that year 8 out of every 100 (406,000) were born outside of Scotland. This included 4.1 English-born (more than half the total); 1.6 Irish-born; 0.2 Welsh; 0.6 born in the Commonwealth; and 1.3 born in foreign countries. Among the 57,000 foreign-born residents who were not British subjects by reason of their parentage, the most numerous groups were the 11,000 from Poland; 8,000 from Germany; 7,000 from Italy; and 5,000 from territories that had been included in Russia. The census showed figures on Scots living in England in 1951 as well. In that year there were 560,000 Scots living in England - against 211,000 English in Scotland; but because the English population was larger, Scots formed a lower proportion of the English population (1.4 per cent) than English of the Scots.[2]

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1. S.E.C.S., 1950, p.3.
2. Census of Population (Scotland), One Per Cent Samples, in Robertson, p.17.

(iv) Emigration

It was due to losses by migration that the Scottish population increased at a much lower rate than the population of England and Wales, even though the rate of natural increase was of a similar magnitude for both.[1] From 1946 to the end of 1951 Scotland had a net loss from migration of 177,000 people (97,000 overseas and 79,000 to other parts of the United Kingdom). The net loss by migration in this period amounted to 84 per cent of the natural increase (46 per cent through loss overseas and 38 per cent through movement to the rest of the United Kingdom).[2] There was a net loss overseas in each year of this period which totalled 17,000 in 1946; 20,000 for 1947, 1948 and 1949 each; and 10,000 both in 1950 and 1951. The average loss for the six years was 16,000. In movement to the rest of the United Kingdom 1946 was the heaviest year with 40,000 people which was due to post-war readjustments. This number dropped sharply to 6,000 in 1948. But the movement towards the south rose again in 1949 and in 1951 it totalled 12,000. The aggregate yearly loss by migration away from Scotland was 56,000 in 1946, 34,000 in 1947, 28,000 in 1949 and down to 22,000 in 1951. But even in 1951, presumably a normal post-war year, the net loss was 90 per cent of the natural increase.[3]

Young people were an important category of migrants. One-third of the net loss overseas in these years fell on the 25-34 age-group (although this group was only a seventh of the population), and over a

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1. Leser, p.21.
2. Figures supplied from Registrar General of Scotland, in Robertson, p.17.
3. Ibid., p.18.

fifth was on the 35-44 age-group. Over four-fifths of the net loss to other parts of the United Kingdom came from the 15-34 age-group. Females tended to be more numerous than males in the net movement overseas - perhaps because of the number of brides who left Scotland after the war. Nevertheless, males were well in the majority in the net movement to other parts of the United Kingdom.[1] One effect of this youth migration was that of fewer wage earners supporting a growing number of older persons. This lowered participation rate (the proportion of the population which was of working age who were part of the labour force of the economy) and was directly correlated to regional problems such as differences in employment, income levels and rates of economic growth.[2]

Migration did not proceed evenly from all regions of Scotland.

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1. Ibid.
2. See, C. E. V. Leser, 'Manpower', in Cairncross, especially pp. 36-39. See also, Bannock, Baxter and Rees, p. 340.

Table 6 - Percentage Net Movement of Migrants from Regions of Scotland, 1 July 1946 - 30 June 1950

Area	Civilian population 1946 (thousands)	Net movement as percentage of 1946 population*			
		To overseas	To England	Within Scotland/	Total
Regions (excluding cities:					
Clydeside	1,299	-1.7	-1.1	+0.6	-2.2
Lothians	220	-1.0	-0.9	+1.6	-0.3
Stirling and Clackmannan	212	-0.9	-1.1	+0.8	-1.2
East	511	-1.4	-1.0	+1.5	-0.9
North-East	270	-1.1	-0.4	-2.8	-4.3
South-West	143	+0.4	-1.6	-0.2	-1.4
Borders	105	-1.3	-0.4	+1.8	+0.1
Crofting counties	280	-1.0	-0.6	+1.2	-0.4
Cities:					
Glasgow	1,055	-1.6	-1.5	-1.9	-5.0
Edinburgh	459	-2.0	-0.6	+1.6	-1.0
Aberdeen	177	-2.5	-1.2	+1.8	-1.9
Dundee	169	-2.6	-0.8	+0.9	-2.5
Scotland	4,901	-1.5	-1.0	+0.2	-2.3
Cities and large burghs	2,648	-1.8	-1.2	-	-3.0
Small burghs and landward areas	2,253	-1.2	-0.9	+0.2	-1.8

* Minus sign indicates outward movements, plus sign inward movements.

/ 'Within Scotland' includes movement to and from Northern Ireland, Isle of Man and Channel Islands.

Source: Figures compiled by the Registrar General for Scotland, in Robertson, p.19.

The above table shows the net outward movement from the eight regions and four major cities of Scotland, 1946-1950, to overseas, England,

within Scotland, in total and as a percentage figure of the 1946 civilian population. It can be seen from this table that post-war emigration proved more urban than rural. Industrial regions tended to lose to England especially more heavily than the farming and crofting regions. Post-war movements tended to operate against Glasgow and Clydeside, but this proved beneficial in the sense that it caused a better balance in the distribution of the population towards the other parts of Scotland.[1]

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1. Robertson, pp.18-19.

2. Unemployment

(i) General Trends

Memories of the massive unemployment of the inter-war years were a major force behind the acceptance of the 'full employment' theory in the form of the 1944 White Paper on Employment Policy. Cole wrote on this issue that 'the extent of unemployment can be measured, the fear of it cannot be'.[1] Scotland had been dogged by constant and high unemployment throughout the inter-war years, unemployment in 1933 reaching 30 per cent of the insured population. There was some improvement in the late 1930's mainly due to the increased employment in engineering and other munitions industries, but in July 1939 unemployment still totalled 172,000, representing 10.5 per cent of the insured population.[2]

The war effected several dramatic changes in the Scottish employment pattern. It brought down the number of male workers from 1,218,000 at mid-1939 to about 900,000 at mid-1945. The withdrawal of over 400,000 men to the Forces was offset by the entry or return to industry of large numbers of men who were not normally employed or who had retired. There was an increase in the number of female workers from 460,000 in 1939 to a peak of nearly 600,000 in 1943.[3] Significantly, the war was to accentuate the dependence of the country on the heavy industries. During the war, for the first time in twenty years, unemployment in Scotland fell to insignificant levels. In addition to the

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1. Cole, p.xviii.
2. I. and E., 1947, p.5.
3. Ibid.

increased number of women in industry, there were over 15,000 Scottish women transferred to employment in England. At the height of the war more than half of the working population in Britain were doing jobs and/or producing goods different from those of peace-time.[1]

The most remarkable facet of the figures for post-war Britain was the virtual abolition of unemployment. This was described by Cole (1956) as 'the very great fall in long-term unemployment, which has been reduced to nearly negligible proportions since the war'.[2] At no time in British history was there as high employment rates as in the post-World War II years. Unemployment was at low levels in 1945 due to war-time conditions, it then rose quite sharply in 1946 and 1947 - much of this was due to demobilisation. Thereafter the rise in the level of unemployment was very slow.[3]

The number out of work rose by about a quarter of a million over the war-time figure of 100,000, a great deal of this rise was attributable to the fact that direction of labour had been abandoned by the Government following the war.[4] Much of the unemployment was of short duration and usually represented no more than a week or two between one job and another. But not all the unemployment during these years was frictional in nature. There was also a core of long-term unemployment, especially in certain areas of Scotland. The major threat 1945-1951 in terms of unemployment was a shortage of raw materials,[5] which the 1947

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1. Worswick, p.4.
2. Cole, p.46.
3. Worswick, p.16.
4. T. Wilson, 'Manpower', in Worswick and Ady, p.224.
5. Ibid., pp.224-225.

Coal Crisis and the subsequent massive (though short-lived) wave of unemployment exemplified.

Although Britain enjoyed the lowest unemployment rate in the post-war years that it has ever maintained, Scotland still fell behind, particularly in respect to England. The rate of unemployment diverged most sharply from the rest of Great Britain in 1946-1948. 1946 was the worst year with 5 per cent unemployment for Scotland as opposed to 2.5 per cent for the country as a whole.[1] In 1949 the rate of unemployment had been lowered to 3.2 per cent for Scotland and 1.6 for Great Britain, still exactly one-half, but a significant reduction from the 1946 figure.[2] By 1950-1951 unemployment was no longer as major a concern in Scotland for various reasons, including to some degree, the demand brought by the re-armament drive for the Korean War. But, most importantly, it was due to the general post-war readjustment finally being achieved.

After the end of the war the number of male insured workers in Scotland increased, largely because of the greater numbers of men remaining in the Forces as compared with the pre-war years, but it remained below the level of 1939. The number of female workers decreased following the war but remained well over the pre-war figures. These trends were similar for Great Britain as a whole. In the Scottish Development Area more insured workers were employed in July 1946 than in 1939.[3] For the whole of Scotland the total number of insured persons was at mid-1946 a little below the mid-1939 level, but was greater than any pre-war year.[4]

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1. S.E.C.S., 1946, p.7.
2. Ibid., 1949, p.5.
3. See Leser, in Cairncross, pp.37-38.
4. I. and E., 1946, p.5.

Table 1 - Unemployment in Scotland, 1945-1951

	Population	Insured Workers	Unemployed
1939	5,006,700	1,676,200	171,790
1945	N/A	1,456,130	22,010
1946	5,135,100	1,549,890	73,920
1947	5,138,600	1,658,000	54,270
1948	5,169,200	2,119,000	53,780
1949	5,207,000	2,132,000	52,630
1950	5,218,900	2,108,000	58,550
1951	5,113,900	2,066,000	54,000

Source: I. and E., 1946 - 1951.

A detailed year by year analysis will serve both to explain what happened to employment and act as a framework for later consideration of the economy.

(a) 1945-1946

During the war Scotland's traditional unemployment problem was negligible. In July 1944 there were only 16,199 registered unemployed in Scotland, which was only 1.1 per cent of the total number of insured workers, as compared to the 1938 with its 241,123 unemployed, which was 14.7 per cent of the working population. In July 1945, by which time peace had been declared and a new post-war Government already elected, there was a shift upwards in the unemployment rates to 25,328 (1.7 per cent). This figure almost tripled by the next year to 73,919 and rose on to 78,762 by that December. The total number of unemployed in Scotland in the last ten months of 1946 was the highest of any region in the country. Although Wales had the highest percentage of unemployment that year, the direction of the Welsh unemployment

figures went down from 9 per cent in June to 7.5 per cent in December of 1946. In Scotland there was an increase from 4.5 per cent to 5 per cent in these same months. The percentage for the United Kingdom as a whole was 2.5 per cent.[1] Seventy-five per cent of the unemployed in Scotland in 1946 were males, with the average age of these unemployed males lower than any other region in the country, about 50 per cent being between 21 and 41 years of age.[2]

(b) 1947

In 1947, apart from the months of the fuel crisis, the general trend of rising unemployment began to drop. Scotland's figures fell from 84,331 in January of 1947 to 52,760 in December. But in February and March, when the fuel crisis was at its peak, Scottish unemployment numbers went from 93,849 to 101,264.[3] The winter of 1946-1947 was to have the highest unemployment rates following World War II, with March of 1947 the highest month of unemployment in post-war Scotland. But although the lack of coal in the spring of 1947 caused several weeks of high unemployment - which was compared to that of the 1930's - it only reached 6.0 per cent in March of that year (as compared to 3.5 per cent, the 1947 Scottish unemployment figure) and did not seriously affect the trend of post-war recovery and progressively high employment rates.[4]

Nevertheless, Scotland had once again in 1947 the highest unemployment rates of any of the Ministry of Labour's administrative

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1. S.E.C.S., 1946, p.7.
2. Ibid.
3. Ibid., 1947, p.6.
4. Ibid., percentage reckoned from figures given on pp.5-6.

regions. But these were transition years and a time of much labour mobility especially in Scotland. Not only were servicemen and women coming home but also substantial numbers were returning from war jobs in the south, confident of finding positions that were not always still available or even existent. The number of unemployed ex-servicemen and women who had had no employment since release reached a peak in August 1946 of 8,859.[1]

Scotland was particularly vulnerable in this period of readjustment due to her extreme dependence on heavy industries. This was in large measure responsible for a very special problem of the unemployment issue, i.e. high unemployment of men and, often concurrently, local pockets of unemployment. There were in 1947 rather substantial areas of unemployment in some areas of traditional industry, e.g. in Glasgow including Rutherglen 18,798 were registered as unemployed in December 1947. In Motherwell and Wishaw the total was 2,693 and in Dundee 2,040.[2]

(c) 1948

The number of unemployed in Scotland continued to drop steadily from 3.5 per cent in 1947 to 3.0 per cent in 1948 (old basis) or 2.5 per cent (new basis).[3] For in 1948 the National Insurance Scheme came into effect, and a new method of evaluating unemployment figures was devised on the basis of inclusion of all employees of all classes and ages as shown by the number of cards issued by the National Insurance Scheme. 'With the introduction of National Insurance in July,

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1. I. and E., 1946, p.6.
2. S.E.C.S., 1947, p.6.
3. Ibid., 1948, p.5.

1948, 452,000 persons who had been outside the scope of the Unemployment Insurance Acts became insured against unemployment. On the new basis the insured employed population was 2,119,000.'[1] The National Insurance Scheme was indicative of a new attitude of responsibility towards unemployment and the Labour Government's new goal of 'full employment'. This programme was set up to provide unemployment benefits along with other provisions such as sickness benefit, flat-rate pensions, maternity benefits, children's allowances, grants to widows, etc.

Although the percentage of unemployment among insured workers and the proportion of long-term unemployment (over 8 weeks) were both greater in Scotland than in the rest of the country, the disparity was not as pronounced by 1948. There was a marked increase in 15,000 jobs for males in this year. But there was still substantial unemployment in the development areas. Much of this was attributed to the housing shortage, which was at a critical point due to a shortage of materials. This was strongly connected with the immobility of labour and also the problem of unfilled vacancies existing concurrently with high unemployment.

(d) 1949

The same pattern of declining unemployment, January to June, and then rising July to December, was repeated in 1949 as had appeared in the previous years, from 73,000 (January) to 52,600 (July) and then rising again to 67,900 (December).[2] It was a much bigger drop in June

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1. I. and E., 1948, p.7.
2. Ibid., 1949, p.6.

than in 1948 but a much steeper rise in December and except for the third quarter the level of unemployment in Scotland was slightly higher than in 1948. This type of a frictional, and specifically seasonal, employment pattern was not considered a serious worry as much of it was due to factors such as school vacations and harvest-time. Scotland's rate of unemployment was still twice that of Great Britain as a whole in December 1949, 3.2 per cent to 1.6 per cent, but had been lowered significantly since 1945-1946.

(e) 1950

The number of unemployed dropped in 1950 to 1948 levels. Yet the seasonal increase in unemployment was much smaller than in 1948. This improvement occurred entirely among males; the number of unemployed females was higher than in any year since 1946.[1] This was due in part to the number of women leaving employment following the war for various reasons : this fact was shown quite clearly by the time 1948 unemployment statistics were compiled.[2]

Nevertheless, economic analysts continued to fret that Scotland still had the highest unemployment rate for any region besides Wales and repeatedly was twice that of the country as a whole. The average age of the unemployed was younger in Scotland and the percentage of those under 41 without work for long-terms slightly higher than in other areas.[3] The employment situation in the industrial areas improved in this year, and the major areas of concern in terms of unimproved

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1. S.E.C.S., 1950, p.33 and I. and E., 1950, p.8.
2. See pp.118-120.
3. S.E.C.S., 1950, p.33.

unemployment levels was not in the Development Areas as expected but in the less-heavily industrialised areas such as North-East Scotland - Aberdeen in particular - and also the Highlands and Islands where there was little development of new industry.[1]

(f) 1951

The Scottish unemployment rate again followed the British figures and in 1951 both dropped to the lowest percentage since 1945. But Scotland did have the highest rate of male unemployment in the country in this year. The number of unemployed under 41 years of age was still heaviest in Scotland, but by 1951 it was forming a smaller percentage of the total number of insured workers in Scotland. Much of the unemployment could be attributed to the 'lack of orders in industries manufacturing consumer goods, particularly textiles, and to a smaller extent by shortages of raw materials in the iron and steel and engineering industries; these difficulties also led to a certain amount of under-employment'.[2]

(ii) Male Unemployment

One of the greatest worries concerning employment patterns in post-war Scotland was the high level of male unemployment. This can be traced to some extent to the decline of heavy industries after the war which affected Scotland more directly than any other region. Scotland's surplus of male labour was not simply a feature of the transition from war to peace, although reconversion was limited by the

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1. See p.295 on factory building. See also, Adam Collier, The Crofting Problem, especially pp.93-95 on the problem of adapting the provisions of national legislation to employment and unemployment in the Highlands.

2. S.E.C.S., 1950, p.33.

scarcities of fuel and raw materials. Rather it was a reflection of the pre-war lack of balance in the nature and distribution of Scottish industries. Considerable new sources of employment were needed to prevent a return to the pre-war level of unemployment.[1] Long-term male unemployment was a matter of much concern notably in the West Coast of Scotland and especially because a high proportion of the men were only fit for light employment.[2] This became more problematic as the West Coast of Scotland did not have many forms of light industrial employment available. Many of the unemployed males were simply in transition from one job to another but long-term unemployment was a very real problem. In Glasgow in 1948 20 per cent of all unemployed men and boys had been out of work for over a year, for Scotland as a whole the figure was 17 per cent.[3] By 1950 there was 22 per cent male unemployment in Glasgow while the Scottish figure remained at 17 per cent.[4] The problem of additional jobs needed for males in the local pockets of unemployment and notably in the outlying parts of Scotland was another critical facet of this problem.

(iii) Female Employment Patterns

Any improvement in the Scottish employment outlook 1945-1951 was much more marked in male rather than female labour. Correspondingly it was more pronounced in the industrial districts and the Development Areas, as these were traditionally centres of predominantly male employment. Many heavy industry areas - in particular the mining

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1. I. and E., 1951, p.8.
2. Ibid., 1948, p.8.
3. Ibid.
4. Ibid., 1950, p.8.

areas - lacked suitable outlets for female employment.[1]

At the conclusion of the war many women either remained in the same jobs they had held during the war or relocated to new peace-time jobs. There was a marked increase in the number of females employed following the war as compared to the pre-World War II years. The number of women employed in Scotland declined slightly but steadily in the immediate post-war years as compared to the war years.[2] An important factor in the reduction of female unemployment was the decline in the number of women entering employment. Many women who had started jobs during the war - often for the first time - simply ceased to register following the war when they had exhausted the unemployment benefits to which they were entitled,[3] thereby reducing the number of female insured workers. The war undoubtedly raised the proportion of women in employment and during the post-war years it settled down to a level somewhat higher than before the war.[4]

Although the employment pattern improved much more for males than females, this was due to the fact that the employment situation was much more difficult for males. This was demonstrated by the fact that female labour was generally more scarce than male labour in Scotland during the post-war years. In 1948 there were five unemployed men aged 18 and over for every two vacancies, but for women the proportion was one

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1. S.E.C.S., 1946, p.5. See Clive Lee, ed., British Regional Employment Statistics 1841-1971, (Cambridge, Cambridge University Press, 1979); see #45 - # 63 for 1931 and 1951 on male and female employment in Scotland during these years.
2. Ibid., 1948, p.5.
3. Ibid., 1946, p.7.
4. Worswick, p.16.

to one.[1] There was a high demand for women and girls for resident domestic work in hospitals, institutions and private households and for the textile, clothing, hotel and catering industries.[2] This scarcity of women for domestic residential work continued throughout these years. The high demand for women in the textile and clothing industries remained unfilled. This affected the hosiery, carpet, woollen and worsted and clothing industries.[3] Much of the female unemployment was caused by the problems of the logistics of work and home. Women in the Development and industrial areas were often unable to find work, while at the same time there were many light industries desperate for female labour in other areas - the best example of this was the jute industry in Dundee.

(iv) Frictional Unemployment

Much of the unemployment during the post-war years was frictional or short-term in nature. Thus the unemployed included a large number of persons simply passing from one job to another. In particular, unemployment among skilled workers was usually only short-term due to the lack of skilled labour. During the post-war years roughly one-quarter of those on the unemployment lists were only to be there for not more than two weeks and by 1951 it was closer to one-fifth.[4] Relatively small increases in unemployment of a seasonal character

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1. I. and E., 1947, pp.10-11.
2. Ibid., 1949, p.8.
3. Ibid., 1951, p.9. See pp. 264-270 on Dundee and the jute industry. See also, Alexander Smith, The County of Fife Third Statistical Account of Scotland, (Edinburgh, Oliver and Boyd, 1952).
4. Ibid.

occurred each year rising to a peak each June and then tapering off to December. Thus it can be seen that the unemployment figures represented a flow of a great many people who at some point due to various circumstances were unemployed, instead of a static block of the same people who comprised 'the unemployed'. That there was so much fluidity in the employment market at this point was not surprising on account of the fact that the post-war years were a transition time for the Scottish economy.

(v) Long-Term Unemployment

At the opposite extreme and existing often concurrently with frictional unemployment there was in Scotland a sizeable core of long-term unemployed. This was more marked in male rather than female labour. One obvious cause for this was that the industrial centres and the traditional industries which hired mainly men were the hardest hit by the decline of importance of the heavy industries. This problem was most acute in the Central Industrial Belt. This area was not only influenced by the decline of these industries but was in addition adversely affected by the gradual exhaustion of Lanarkshire's coal reserves. Large-scale mining developments in the east, especially in Fife, which necessitated some migration of the mining population eastward, left a surplus of labour in the Lanarkshire area.[1]

Long-term unemployment, particularly among the less physically fit and the elderly who formed a large part of this group, was a major

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1. S.E.C.S., 1946, pp.5-6.

source of concern.[1] Also throughout the post-war years the incidence of long-term unemployment of those under 41 years of age was more severe than in any other region of Great Britain.[2] In 1950 14 per cent of all the unemployed in Scotland had been so for over a year.[3] By 1951 the figure rose to 15 per cent.[4]

(vi) Age : As a Factor in Employment

The age group of workers was an important determining factor in the supply and demand of the labour force. The young and the elderly usually had the most difficulty in obtaining employment. During 1951, 205 people in Scotland started industrial apprenticeships or learnerships under the Special Aptitudes Scheme, which gave financial help to young people with special aptitudes who were unable to obtain work suited to their capacity near their homes.[5] This was no more than a token effort. But another more general post-war programme was designed to assist young unskilled workers. The Ministry of Labour and National Service encouraged industries to develop schemes for the systematic training of their young workers : and by December 1951, 51 new training schemes had been approved since the war,[6] although the value of these programmes varied from industry to industry and firm to firm making an

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1. I. and E., 1950, p.8.
2. S.E.C.S., 1951, p.36.
3. I. and E., 1950, pp.7-8.
4. Ibid., 1951, p.9.
5. Ibid.
6. Ibid. See also, James Cunnison, 'Recruitment and Training of Young Workers for Industry and Commerce', in Cairncross, pp.266-279.

overall judgement of this programme difficult. Nevertheless, these schemes were important as they represented both Government and industry interest in helping both skilled and unskilled young people to become employable.

Conversely, there was during these years a general shortage of young workers for many industries. From 1945-1950 the shortage of young female workers was more severe but by the end of 1951 the shortage of young males was worse.

For elderly workers trying to locate employment their prospects were often complicated by such factors as ill health; or by having had one job all their working life then being made redundant and not possessing enough varied skills to acquire a different type of position. Others simply had a complete lack of a marketable skill, or suffered from reluctance or inability to relocate.

(vii) Unfilled Vacancies

Although there were substantial pockets of unemployment in certain areas of Scotland there also remained many vacancies unfilled. A great deal of the industry of the Central Industrial Belt called for workers with a high degree of skill and/or physical fitness. This resulted in high demands for labour even in areas of severe unemployment. This dichotomy had been present in pre-war Scotland as well and was a reflection to some extent of the lack of apprentices in the heavy industries in the Depression years of the 1930's.[1]

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1. S.E.C.S., 1946, p.5.

The labour available was usually fully suitable for anything except heavy industry, but until some of the new lighter industries were developed it was not easy for these workers to find employment. One Government measure taken to alleviate this problem was the Ministry of Labour's Temporary Transfer Scheme. Under this scheme unemployed workers in areas where there was considerable unemployment, but for which there were to be new industrial developments in the near future, were able to volunteer for work in other areas until new developments in their home areas matured. Arrangements were made for them to be considered for new employment opportunities when they arose equally with workers remaining in the same area. This scheme was used in the immediate two to three years following the war and by the end of January 1947 some 2,000 workers had been transferred by this scheme.[1] This was quite an effective programme and helped to relieve some of the imbalance present in the immediate post-war years of unfilled vacancies and unemployment.

The war was responsible for disrupting the 'normal' employment patterns. Most industries had been either converted totally to war purposes, the factories used for Government storage, or at the least, their output changed slightly to meet war needs, i.e. the 'utility goods' produced by the manufacturing industries. These changes directly affected the employees - some were made redundant and others had to perform tasks they were not trained for. Also the war had taken many skilled operators directly from their jobs when they joined the armed services.

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1. I. and E., 1946, p.6.

The acute shortage of housing was a major factor in the co-existence of unfilled vacancies and high unemployment. The Cairncross book on the Scottish Economy cogently argued that the general lack of housing precluded any large-scale movement of labour in the early post-war years.[1] For example, the New Town of Glenrothes was built in Fife to house miners transferred to the east of Scotland because of the shift in Scotland's mining centre. This move had to be delayed until 1948 so that at least temporary houses could be constructed for the miners and their families. Thus in 1948 there were 1,000 people living in temporary houses in Glenrothes, although official construction of permanent houses did not begin there until 1951.[2] On the other hand, some firms established branch factories in order to take their work to areas where a suitable labour force was available,[3] such as the Development Areas.

(viii) Development Area

There were wide variations in unemployment levels throughout Scotland. In January 1947 unemployment varied from 38.1 per cent at Stornoway, 19.5 per cent at Wick and Thurso and 8.5 per cent in Lanarkshire, to negligible proportions in the Borders and several areas in the East of Scotland.[4] Eighteen months later in July 1947 unemployment was 24 per cent of the insured population of Lewis, 10 per cent in Caithness and Sutherland and 7.5 per cent in Lanarkshire, but was

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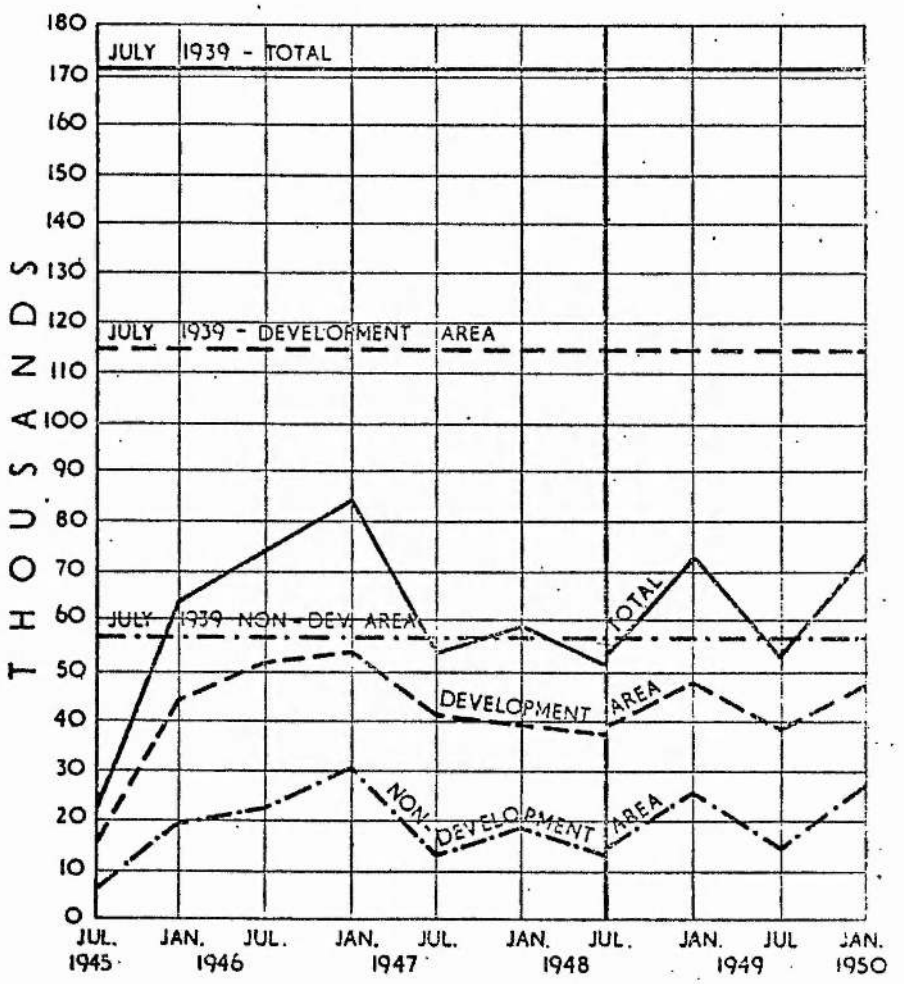
1. See A.K. Cairncross, ed., The Scottish Economy.
2. See pp.280-282.
3. S.E.C.S., 1946, p.5.
4. I. and E., 1946, p.6.

again negligible in the Borders and also in Perthshire and Angus.[1] Nevertheless, unemployment was not at all limited to the North of Scotland and the Highlands and Islands. Although the percentage of workers unemployed was higher than in the South, the greatest number of unemployed workers were to be found in the industrial central area of Scotland.[2]

Figure 1 - Unemployment in Scotland



Source: I. and E., 1949, p.5.

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1. Ibid., 1947, p.10.
2. S.E.C.S., 1951, p.36.

The Scottish Development Area included the entire Central Industrial Belt. The same seasonal trends were seen in the Development Area as in the rest of the country but the movement was relatively much greater in the Development Area - the level of unemployment falling less until June and rising less in the last six months of each year than Scotland as a whole. This is indicative of the rigidity of the labour force in the Development Area. The rate of unemployment in the Development Area remained appreciably higher and during the last six months of 1948 it was 3.5 to 4.0 per cent as compared with 2.5 to 3.0 per cent in Scotland as a whole.[1] By 1949 the level of unemployment was only one-half per cent higher in the Development Area than in Scotland as a whole, but was still 2.0 per cent higher in Great Britain.[2] In 1950 both the improved seasonal trend of employment for males and the great increase of female unemployment were more marked in the Development Area. In 1951, again following the trend of the country as a whole, the number of females unemployed in the Scottish Development Area dropped sharply to reach its lowest since 1945.

(ix) Labour Supply and Demand

The principal manpower problems were in coal-mining and agriculture. Considerable success was made 1946-1947 in recruiting new workers to the coal industry - 2,500 new workers were added to make a total of 84,900. In agriculture the main problems were the replacement of repatriated prisoners-of-war and the supply of labour to meet seasonal harvest demands. One way these two types of vacancies were filled was

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1. Ibid., 1948, p.8.
2. Ibid., 1949, p.6.

with foreign workers. There was a certain amount of Polish labour available and also the European Volunteer Workers scheme allocated some to suitable vacancies.

At the end of 1947, 19 European Volunteer Workers and 758 Poles had been placed in coal-mining and 777 European Volunteer Workers and 468 Poles in agriculture.[1] In 1948 measures were taken to increase the labour force in agriculture. These included the provision of training hostels for inexperienced British workers, the importation of 4,500 European Volunteer Workers and the retention of about 2,500 German and 1,210 Ukranian ex-prisoners-of-war. Also emergency assistance in gathering the potato crop was given by the army and by 50,000 school children.[2] In 1949 no more male European Volunteer Workers were brought in but there was still 2,900 workers employed by the Department of Agriculture for Scotland. The remainder of the 5,300 employed in the previous year either entered the employment of individual farmers or left agriculture for other approved employment. Emergency assistance was given in the 1949 harvest by 960 men employed temporarily under the Emergency Harvest Scheme, 60,000 persons who took part in the Holiday Volunteer Scheme and 56,000 school children.[3] During 1950 the number of European Volunteer Workers fell from 2,900 to 1,800. The Women's Land Army was disbanded in November 1950 but 550 of its 638 members continued in agricultural employment. Assistance again was given by including, in the 1950 harvest, 830 men who worked temporarily for the Special Seasonal Labour Force, over 5,000

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1. Ibid., 1947, p.11.
2. Ibid., 1948, p.9.
3. Ibid., 1949, pp.8-9.

volunteers involved in the Scottish Harvesting Scheme and 50,000 school children.[1] By 1951 there were only 800 European Volunteer Workers still employed by the Department of Agriculture and it was to fall still further in 1952.[2]

(x) Industrial Training and Rehabilitation

The Government set up various schemes for industrial training in the post-war years. The Vocational Training Scheme was to train workers in their employers establishments and there were special arrangements for agriculture and forestry. In 1947 in view of the revised capital investment programme, the training in building trades was suspended.[3] Largely owing to the smaller demand from industry for trained workers, facilities under the Vocational Training Schemes were much reduced in 1950-1951 and training was discontinued altogether in vehicle building, stonemasonry, leather goods and ladies hairdressing.[4] Hence, because of the reductions in funding very little real progress was ever able to be made by these particular industrial training programmes.

Many of the unemployed were so because they were severely disabled and thus incapable of ordinary employment. The number grew progressively throughout the post-war years and by October 1950 there were 88,514 people (79,279 males and 9,235 females) registered under the

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1. Ibid., 1950, p.8.
2. Ibid., 1951, p.9.
3. Ibid., 1947, p.11.
4. Ibid., 1950, p.9.

Disabled Persons (Employment) Act (1944), of this group 8,234 were unemployed (which was 373 less than the previous year). In this group 7,407 were deemed capable of ordinary employment and 827 were classified as severely disabled and unlikely to gain employment except under sheltered conditions.[1]

Thus 'Reploy' factories, designed to provide sheltered employment, were instituted by the Government. There were 9 such factories during the 1945-1951 years. The first Industrial Rehabilitation Unit in Scotland was set up in Granton in November 1948 with 33 men in attendance.[2] A second unit was opened in Hillington in January 1949. By the end of 1949 329 persons (326 men and 3 women) had completed a course of rehabilitation at Granton and 307 (300 men and 2 women) at Hillington.[3] There were plans to open 'Reploy' factories at Springburn and Aberdeen but these were delayed.

(xi) Conclusion

These were years of exceptionally high employment for Britain as a whole - 'full employment' had officially arrived. But Scotland lagged significantly behind the rest of the country during the immediate post-war years. Scottish unemployment rates were usually double that of the rest of Great Britain and were much higher in the Scottish Development Area and certain parts of the North of Scotland. Anxiety over the English/Scottish discrepancy in unemployment figures gave rise to

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1. Ibid.
2. Ibid., 1948, p.9.
3. Ibid., 1949, p.9.

criticisms from various bodies such as the Scottish Trades Union Congress. But in a broader context the degree of unemployment in the immediate post-war years looks trivial when compared to what happened earlier in the 1930's or much later in the 1970's.

Chapter Four

Housing

1. Post-War Housing Needs

(i) Size of Problem

Estimates supplied to the Barlow Commission by the Ministry of Health and the Department of Health for Scotland showed that the number of additional houses in 1939 needed to remedy slums and overcrowding to be 300,000 for England and Wales and 230,000 for Scotland alone.[1] This pattern of more critical housing shortages in Scotland as compared to the rest of Great Britain continued throughout the wartime years. According to Pollard, housing suffered more than any other social element as a result of the war.[2]

The acute shortage of housing in Scotland, therefore, was even more evident following the Second World War due to the suspension of most civilian building, the number of houses becoming unfit between 1938 and 1945, as well as the number (7,000)[3] of houses that were damaged or destroyed during the war. There were approximately 1,320,000 houses in Scotland at the conclusion of World War II, of which a little over 250,000 were owned by local authorities.[4] The Scottish Housing Advisory Committee estimated in their 1944 report entitled 'Planning Our New Homes' that simply to meet Scotland's immediate needs a half a million

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1. Barlow Report, pp.67-68. See also, Marian Bowley, Housing and the State 1919-1944, (London, George Allen and Unwin Ltd., 1945). Bowley's book is mainly concerned with England and Wales but has a good appendix on housing problems in Scotland.
2. Pollard, p.402.
3. Department of Health for Scotland, Report of the Committee on Scottish Building Costs, (Edinburgh, H.M.S.O., 1948), p.7.
4. I. and E., 1946, p.65.

additional houses were required - 100,000 to replace unfit houses; 200,000 for families from overcrowded houses; and 200,000 for the general needs of families who had no separate homes.[1] These figures did not even take into account the houses which, although they had no sanitary conveniences or internal water supply for example, were not regarded as unfit. There were at this time 405,000 houses with no sanitary facilities of any kind and only a very minute proportion of these were classified as unfit. Thus the total of 500,000 new houses for Scotland was considered 'basic' for it did not even consider the additional housing demands after December 1943 as a result of further marriages and wastages of existing properties, nor was it able to take into account progressive improvements in housing standards which might make public opinion require the termination of the effective life of existing dwellings rather earlier than might have been expected in 1944.[2] This in fact did not happen, it was not until the 1950's that The Housing (Repairs and Rents) (Scotland) Act (1954) was passed.[3] Throughout the post-war years 'Planning Our New Homes' was cited as the definitive work on Scotland's housing needs.

In 1951 there were nearly as many people living more than two to a room in Scotland as there was in England and Wales, where the population was nine times as great.

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1. Ibid.
2. Scottish Housing Advisory Committee, Planning Our New Homes, (Edinburgh, H.M.S.O., 1944), p.11.
3. R. D. Cramond, Housing Policy in Scotland 1919-1964 A Study in State Assistance, (Edinburgh, Oliver and Boyd Ltd., University of Glasgow Occasional Papers, 1966), p.122, Appendix I.

Table 1 - Percentage of Population Living more than Two to a Room

	Scotland	England and Wales
1931	35.0	6.9
1951	15.5	2.2

Source: Census of Scotland (Population) 1951 Preliminary Report of Scotland in Robert Baird, 'Housing', in A. K. Cairncross, ed., The Scottish Economy, (Cambridge, The University Press, 1954), p.197.

Overcrowding was not equally bad in all parts of Scotland but was almost uniformly worse than in England and Wales. Rates of overcrowding similar to Glasgow's were common in the industrial towns such as Motherwell, Coatbridge and Paisley but in the other large cities, e.g. Edinburgh and Aberdeen, the rate of overcrowding was only half Glasgow's and in some of the towns and rural areas it was a great deal lower.[1] In 1951 Scotland had still failed to reach a standard of occupancy already reached in England and Wales forty years previously. In 1951 Scotland had 1.04 persons per room, while England and Wales had already had 0.95 persons per room in 1911. In 1951 in the six English conurbations only one rose above the national average of 0.8 persons per room and that one, Tyneside, was 0.88.[2]

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1. Robert Baird, 'Housing', in Cairncross, p.197.
2. Ibid., p.198.

Table 2 - Density of Occupation in Scotland and in England and Wales, 1911-1951

Year	Scotland			England and Wales
	Persons per house	Rooms per house	Persons per room	Persons per room
1911	4.55	3.14	1.45	0.95
1931	4.08	3.21	1.27	0.83
1951	3.53	3.37	1.04	0.73

Source: Report on the Twelfth Decennial Census of Scotland, 1911; Report on the Fourteenth Census of Scotland 1931; Census of Scotland (Population) 1951; in Baird, p.197.

In Scotland a far higher proportion than in England and Wales lived in houses of one room ('single ends') or two rooms ('but and bens'). In 1951 the proportions were 26 per cent and 2.6 per cent respectively and there were actually more people living in these small houses than there were in the whole of England and Wales. Only 37.4 per cent of Scottish homes had more than three rooms, while in England and Wales the proportion was 84.7.[1]

The problem was not restricted to relieving overcrowding in the slum-congested areas, but involved as well the decentralisation of whole communities and industries, particularly to the new coal developments of Fife, Midlothian and Ayrshire. Thus there was in post-war Scotland not just one type of housing need, i.e. clearing the slums, but there were several diverse and specific areas of housing requirements.

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1. Ibid., pp.198 and 199.

(ii) Areas of Specific Need

(a) Glasgow

It was common knowledge at this time that Glasgow required a minimum of 100,000 new houses. This figure was given officially by the Glasgow Corporation in answer to a questionnaire sent out by the Clyde Valley Planning Committee in 1944 and was endorsed by Mr. Joseph Westwood (1945-1947) when he was appointed Secretary of State for Scotland. There were in Glasgow 98,000 families on the waiting list and it was known that many other families made no application because they hoped to be removed under the slum clearance legislation.[1]

Table 3 - Glasgow Housing List : Number of Applications lodged since 1945

	Number of applications lodged				
		Tenants of houses		Single persons about to be married	
Year	Houseless	Over-crowded	Not over-crowded		Total
1945	9,073	2,322	1,327	1,654	14,376
1946	8,377	2,013	1,321	2,393	14,104
1947	6,834	1,834	953	2,587	12,208
1948	6,060	1,963	1,058	2,603	11,684
1949	5,438	2,481	1,347	2,085	11,351
1950	5,162	1,873	1,496	1,988	10,519
1951	5,085	1,475	1,949	2,227	10,736
1952	4,991	1,202	1,916	2,059	10,168
1953	4,562	1,506	2,173	2,148	10,389
1954	4,153	1,617	2,914	2,046	10,730
1955	4,203	1,361	3,466	2,222	11,252
Total 1945/55	63,938	19,647	19,920	24,012	127,517

Source: T. Brennan, Reshaping A City, (Glasgow, The House of Grant Ltd., 1959), p.21.

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1. Harry McShane, Glasgow's Housing Disgrace, (Glasgow, Kirkwood (Printers) Ltd., date not given), p.4. A rousing Communist pamphlet, few facts but colourful reading. See also, pp.177-180 of this section on Glasgow and Overspill.

Ten years was considered to be the normal period for rehousing in Glasgow. In 1959 it was thought that 'some of the applicants who first registered in 1945 will by now have been rehoused'.[1] It was estimated in 1959 that one-third of the applications on the Glasgow housing list had been there for ten years or more (1949 or earlier), though there were some applicants who had been on the waiting list for fifteen or twenty years (1939-1944 applicants).[2]

Inferior housing standards and overcrowding were the worst problems in Glasgow. The highest rates of overcrowding in the United Kingdom were in Glasgow. In some wards such as Hutchesontown, Dalmarnock, Gorbals, and Cowcaddens almost half the population lived at a density of over two per room.[3] Glasgow's overcrowding was so severe that there was never any question of employment replacing the residence requirements when obtaining Council housing.[4] The Corporation of Glasgow and the Councillors were under strong public pressure to deal with the post-war need for housing. But the house waiting list still had 80-90,000 families in the early 1950's.[5] In 1952 the new City Architect of Glasgow stated that the net residential density of over half the houses in the city was ninety-five dwellings to the acre.[6]

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1. T. Brennan, Reshaping A City, (Glasgow, The House of Grant Ltd., 1959), p.21.
2. Ibid.
3. Baird, p.197. See also, Frank Worsdall, The Tenement : A Way of Life, (Edinburgh, Chambers, 1979).
4. R. D. Cramond, Allocation of Council Houses A Report of Methods of Allocation of Tenancies by Local Authorities in Scotland, (Edinburgh, Oliver and Boyd Ltd., University of Glasgow Occasional Papers No.1, 1964), p.36.
5. S. G. Checkland, The Upas Tree Glasgow 1875-1975, (Glasgow, The University of Glasgow Press, 1976), p.67.
6. A. J. Jury, Glasgow City Architect, Report on Glasgow's Housing Needs, (August 1952).

(b) Mining Areas

Housing was inextricably tied up with the issue of industry and the mobility of labour. The complicated housing problem in Scotland hampered plans to develop new industrial sites. The most obvious example of this was in the mining industry, for the housing shortage hindered plans to relocate miners from the west to the east of Scotland to the new coal mines. Local authorities in consultation with the Ministry of Fuel and Power and after 1 January 1947 with the National Coal Board made special provisions for the housing of miners. In addition to the substantial building programmes of the local authorities in mining areas the Scottish Special Housing Association (SSHA)[1] was given the task of building houses in certain areas for transferred miners. The first SSHA programme of houses for miners was begun in 1946 and a second programme of 2,000 Weir and Atholl steel houses initiated in 1947. Both of these programmes were to take only a year but each was delayed far beyond its expected completion date. Following the war a target of 12,750 new houses for miners was set. In 1951 only 3,183 of these houses from the initial programme had been finished and the target number of houses was quietly lowered from 12,750 to 10,500.[2]

(c) Development Area

Of the 500,000 houses required in Scotland in 1945, some 290,000 of them were needed in the Development Area (this figure includes Glasgow), "where the unplanned development of the past has left

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1. See pp.146-147 on the Scottish Special Housing Association.
2. I. and E., 1946, p.67; and 1951, p.53.

an appalling legacy of overcrowding and worn-out housing'.[1] Much special attention was given to the Development Area and in 1947 it was estimated that 72 per cent of the new permanent and temporary houses completed and 53 per cent of the permanent houses under construction in Scotland were in the Development Area.[2] Much of the SSHA building programme was concentrated in the Development Area as the region of greatest need.

Special arrangements were made by the Department of Health, the Board of Trade and local authorities to assist key workers who migrated to new localities within Scotland with a particular industry. The key workers programme was essential to the Development Area in that it provided skilled workers with immediate housing in a new area. Although this programme only housed a limited number of persons, without it many industries could not have relocated or begun in a new area and thus a considerable number of jobs for semi- and unskilled workers would not have been available.

(d) Rural Housing

House building in rural areas had always been more difficult than in urban areas, partly because of increased costs resulting from transport of materials and components and the relatively small size of rural housing schemes and partially due to the difficulty of securing an adequate supply of local labour. Thus the Housing (Scotland) Acts were to provide special subsidies where costs were substantially increased because of the remoteness of the site from the centres of

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1. I. and E., 1946, p.67.
2. Ibid.

supply of building labour and materials. To overcome the scarcity of ordinary building labour, special allocations of houses of non-traditional construction were made to rural areas.[1]

Building operations in 1951 still had not effected any total solution to Scotland's acute housing shortage, which remained a serious social problem and the principal limiting factor in the major development schemes. The number of houses completed never even came close to the goals set. Local authorities were concerned about the continuing steep rise in building costs and in mounting deficits in their housing accounts. In an effort to reduce their balance of expenditure charged to the local rates, many authorities had already in 1951 raised rents considerably.[2]

2. Government Legislation

There were several reports published during the war which sought to provide a plan for the post-war building programme. In 1944 both 'Planning Our New Homes' and 'Distribution of New Houses in Scotland' were published. The recommendations of the latter report dealt with the need to co-ordinate housing programmes with industrial development and the planning of housing schemes as integrated communities. It also argued that the restriction of the Exchequer subsidy to the replacement of unfit houses and to the relief of overcrowding within the area of authority prevented local authority housing from being available to

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1. Ibid., 1951, p.31.
2. S.E.C.S., 1951, p.3.

workpeople transferred from other areas.[1] The report recommended that the Government's announced intention to grant a subsidy for general needs during a two year post-war transition period should instead be extended to ten years after peace was declared. This was to create more mobility of the populace by allowing housing authorities to provide for families moving from one area to another. The significance of this recommendation was that it recognised that the housing problem could no longer be solved in purely local terms.[2] It was no longer viewed as either practical or efficient for each local authority to deal exclusively with its own affairs. By 1944 constant movement of the industrial population was perceived as an integral part of the economy and hence should be directed on a national scale.

However the 1944 Housing (Scotland) Act only provided two years of subsidy to cover general needs and dealt with permanent houses only. The Government policy on temporary housing was to be found in the Housing (Temporary Accommodation) Act, 1944. In this Act it was delineated that the Ministry of Works would organise the manufacture of temporary, pre-fabricated houses which would then be given to the local authorities, who in turn would place the houses on sites they had selected. Local authorities made annual payments to the Exchequer as long as they possessed the houses. This was a complete break with any previous or subsequent enactment, for it had always been the local authorities who built and owned as well as leased the houses with State assistance. Under this scheme Scotland received 32,000, more than a

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1. Cramond, Housing Policy in Scotland, p.26, and Scottish Housing Advisory Committee, Distribution of New Houses in Scotland, (Edinburgh, H.M.S.O., for the Department of Health for Scotland, 1944), p.11.

2. Cramond, Housing Policy in Scotland, pp.26-27.

fifth, of the 157,000 temporary houses constructed.[1]

It was because of the general rise in building costs that the Housing (Financial Provisions) (Scotland) Act, 1946 increased the subsidies from £10 10s. 0d. to £21 10s. 0d. for a house of three apartments or less; from £11 15s. 0d. to £23 0s. 0d. for a house of four apartments; and from £13 0s. 0d. to £25 10s. 0d. for a house of five apartments or more.[2] This Act was passed by the new Labour Government and not only replaced the 1944 Act but also made the new subsidies available retrospectively for any house completed after 7 March 1944, the day before the housing policy statement by the wartime Coalition Government. Also it specifically set no exact time limit on the availability of the subsidies for the general needs of the 'working classes'. In this sense the 1946 Act finally implemented the recommendations of the 1944 'Report on the Distribution of New Houses in Scotland'.[3]

The purpose of the Housing (Scotland) Act, 1949 was not to raise the subsidies but was to encourage the improvement of existing homes. The Scottish Housing Advisory Committee in their 1947 report on 'Modernising Our Homes' had estimated that over 400,000 houses, approximately 30 per cent, of all houses in Scotland had no separate water closets while many more had no bathroom, or had a bathroom or water

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1. Ibid., p.27.
2. Housing (Financial Provisions) (Scotland) Act, 1944.
3. Cramond, Housing Policy in Scotland, p.29.

closet without sufficient natural lighting or ventilation.[1] But many of these houses were of sound stone construction and were not classed as unfit. Thus the 1949 Act was to offer financial assistance from the Exchequer to improve existing houses. This was the first time that the Exchequer had offered financial aid so widely and on such a large scale for the improvement of existing houses as distinct from the building of new ones.[2]

Also in the 1949 Act the term 'working classes' - a phrase never defined - was deleted and no subsequent enactments used this term.[3] Before 1949 local authorities were told by the Scottish Board of Health that it was not practical to define the term 'working classes' but that it should be interpreted liberally. Because of the elimination of this term the subsidy became available for all houses built by local authorities, no matter to whom they were allocated.[4]

By 1950 there was a multiplicity of Housing Acts for Scotland on the statute book, the principal act - The Housing (Scotland) Act, 1925 - was a quarter of a century behind. Thus the 1950 Act was simply

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1. See also, Scottish Housing Advisory Committee, Modernising Our Homes, (Edinburgh, H.M.S.O., for the Department of Health for Scotland, 1947). See, Robert Baird, 'Housing', in A. K. Cairncross, ed., The Scottish Economy, p.197, Table 95, 'Size of dwelling-houses in Scotland and in England and Wales, 1951' and Table 96, 'Households in Scotland and in England and Wales with no piped water, kitchen sink, water closet, fixed bath and cooking stove'. Source: Census of Population, 1951 : One Per Cent Sample Tables.
2. Cramond, Housing Policy in Scotland, p.31.
3. Scottish Housing Advisory Committee, Scotland's Older Homes Report of the Sub-Committee on Unfit Housing, (Edinburgh, H.M.S.O., 1967), p.19.
4. See also, First Annual Report of the Scottish Board of Health, (Edinburgh, H.M.S.O., 1919).

a consolidating measure making no changes in policy or subsidies. This Act in turn stayed on the books for a long period. Until 1962 Section 184 of the 1950 Act was the only reference statutory guide on the unfitness of building materials.[1]

With the cheap money policy abandoned in 1951 by the new Conservative Government, the Coalition Government's policy statement of June 1944 was finally discarded. Several successive increases between November 1951 and February 1952 raised the rate of interest on long-term loans by the Public Works Loan Board from 3 per cent to $4\frac{1}{2}$ per cent. This affected the local authorities' housing accounts which were already suffering from the rising building costs. The Chancellor of the Exchequer agreed to a review of housing subsidies. Thus, again as in 1946, higher costs brought additions in the housing subsidies which were expressed in the Housing (Scotland) Act, 1952.

3. Administrative Framework

In addition to the legal framework set up to deal with this issue there was a complex administrative system designed to deal with the housing programme. There were at this time various bodies involved in the post-war housing programme : governmental - Scottish Office; quasi-governmental - Scottish Council (Development and Industry), Scottish Industrial Estates and SSHA; corporate - Building Trade Union, Housing Associations and Societies; and private enterprise. The National

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1. Scotland's Older Homes, p.20.

Building Programme was thus implemented in Scotland by means of all these various types of administrative bodies.

Pre-World War II most of the national direction on Scottish housing problems came from the Commissioner for the Special Areas in Scotland in conjunction with the Secretary of State for Scotland. During the war, 25 August 1942, the Scottish Housing Advisory Committee was reconstituted to work on post-war reconstruction plans. This was the group that produced the influential 'Planning Our New Homes'.[1]

The most innovative work during the post-war years was done by the Scottish Special Housing Association (SSHA). The SSHA was a Government sponsored body whose aim was to supplement the efforts of the local authorities in providing houses for letting under the Housing Acts. The Association was a private company incorporated under the Companies Act, but it had no share capital and was entirely financed by Government funds. Its Council of Management was appointed by the Secretary of State for Scotland.[2] The SSHA was originally set up by the Commissioner for Special Areas in Scotland as the Special Areas Housing Association in the Housing (Scotland) Act, 1935.[3] In November 1938 it was reconstituted, renamed the Scottish Special Housing Association and charged to build 5,000 new houses in selected areas. This was to expedite the two Acts of that year - The Housing (Agricultural Population) (Scotland) Act, 1938 and the Housing (Financial Provisions) (Scotland) Act, 1938 - which were passed with the objective of both accelerating slum clearance and

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1. Planning Our New Homes, p.6.
2. Scottish Building Costs, p.42.
3. Report of the Commissioner for the Special Areas in Scotland for the period 7th July 1936 to 31st August 1937, (Edinburgh, H.M.S.O., 1937), p.35.

replacing unfit houses.[1] Following the war the scope of the SSHA's duties was widened to include the building of non-traditional types of construction so as to increase the output of houses with the minimum demand on building labour, especially skilled labour.[2]

The SSHA was responsible for 100,000 houses in the post-war housing programme, one-fifth of the total Scottish building project. Its main function was to provide houses in the areas of greatest need as determined by the Secretary of State. During these years the subsidy was paid directly to the SSHA from the Secretary of State instead of through the local authorities as well as the equivalent of the rate contribution which a local authority was required to pay in respect to its own houses. The houses provided by the SSHA under these arrangements were owned and managed by the Association and thus augmented the housing resources of the areas of greatest need at no cost to the local housing authorities. The SSHA had to have their tenders (offers to supply at a fixed rate) furnished by the contractors and approved by the Department of Health in the form of building licences,[3] as did the local authorities and private enterprise. Thus the existence of the Association did not directly add to the building capacity available in Scotland but it did affect the distribution of available capacity so as to assist the areas of greatest need.[4]

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1. S.E.C.S., 1939, p.19.
2. Scottish Special Housing Association, A Chronicle of Forty Years 1937-1977, (Edinburgh, Macdonald Printers Ltd., 1977), p.7.
3. It was by means of the building licences that the Government was able to control the amount of building under progress. This was very important especially in relation to the restriction of private enterprise in the post-war era. See pp. 80-81 on Woodburn, the Scottish Secretary of State 1947-1950 and pp. 169-176 on private enterprise.
4. Scottish Buildings Costs, p.43.

In much of Western Europe and Scandanavia housing associations, societies and cooperatives played a major role in their post-war reconstruction programmes.[1] These various housing associations were organised on a non-profit-making basis for the benefit of members who rented or had a share in houses under the terms of a tenancy agreement or a lease granted to them by the society. In the early part of the twentieth century societies and associations in England played a useful part in providing dwellings for general family letting and also for sections of the population with special needs which could not be met by the private sector. Housing societies and associations, designed to construct and manage house property, never gained prominence in the immediate post-war years in Scotland and, indeed, did not become a viable housing alternative for Scotland until the 1960's. But it is the fact that Scotland did not have strong housing associations which is significant, especially in relation to Scotland's critical housing shortages and also the small amount of private housing.

4. Local Authorities

It was the Housing, Town Planning, etc. (Scotland) Act, 1919 which gave the first impetus to the development and construction of council housing in Scotland. It was by imposing on local authorities a specific duty to provide for general housing needs that the Government made provision for direct state intervention in the housing market. It was at this time that the local authorities became the principal promoters of

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1. Douglas Niven, The Development of Housing in Scotland, (London, Croom Helm, 1979), pp.54, 116 and 127.

housing in Scotland[1] and this was just as true a quarter of a century later in 1945-1951.

Clearly one of the most important factors in the Scottish housing programme was the role of the local authorities. The local housing authorities, be it city or county councils, depending on the region, had control not only over the construction and management of council houses but also over the allocation of the council houses. Until 1947 building licences were granted by the local authorities as well, but this was altered and the approval of the Department of Health for Scotland was required in addition. The Department of Health maintained central control of the issue of house-building licences from October 1947 until January of 1951,[2] ten months before the General Election. This was to ensure Government control of the size and direction of the national building programme.

According to Douglas Niven in The Development of Housing in Scotland, there was a move towards a complete programme of municipalisation of all privately rented housing at the end of the Second World War, especially in the West of Scotland. Some even believed it to be possible and politically desirable for all houses in a burgh or city to be owned by the local authority.[3] While these notions were never realised they do indicate the direction of the control that was given to the local authorities.

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1. Niven, p.68.
2. I. and E., 1951, p.53.
3. Niven, p.77. Unfortunately, there is very little printed material on these more radical aspects of public control. Further research needs to be done before an analysis can be made of the directions in which local authority control could have moved during these years.

It was stated in the House of Commons on 6 June 1944 in response to a question on housing that 'It is the intention of the Government to maintain a cheap money policy by which local and public authorities will benefit'.[1] Housing subsidies from the Exchequer were raised in 1946 but were not increased again until 1952 with the end of the cheap money policy. However, during these years, 1946-1952, building costs rose rapidly, building materials became dearer, wages higher, there was an increased purchase tax on household equipment, and higher interest rates were even charged on advances from the Local Loan Fund which was supposed to increase the amount of funding to local authorities for their housing programme.[2] Following the war the average Scottish tenant paid approximately 20 per cent more in gross rent than in 1937-1938 due to higher occupier's rates, but the landlord's average net rent amounted to less than it did before the war, this was also due to the Scottish rating system.[3] Thus, many local councils were forced to raise their rents until they were prohibitive for many prospective tenants.

Scottish local authorities amassed a debt of approximately £20,000,000 each year. To supplement Government funding a great deal was borrowed from private individuals, large financial institutions and international investors in Europe and the Middle East. Repayments on money borrowed by the local authorities to finance housing programmes were made over a period of sixty years from three main sources : house rents, Government subsidy and local rates.[4]

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1. Official Report of the House of Commons, (6 June 1944), Col. 1204.
2. S.E.C.S., 1948, p.27.
3. Baird, p.207.
4. Niven, p.92.

One of the problems of council housing not very often explored was that of 'paternalism', in which the Council becomes the universal provider, the 'municipal fairy godmother'.[1] This was coupled with the attitude that many Scots expected the local authorities to act as the principal supplier of housing and believed that they had little choice in the matter of how they were housed or where they lived.[2] Much of this was due to the fact that those living in public sector housing usually suffered from unstable employment, earned low wages and could not or would not own property,[3] although this became less true as more houses were built.

When a prospective tenant did get a house he had to sign a form setting out his obligations to the Council, these could be changed at any time and without notice, and the house itself could be repossessed at any time. The Council, on the other hand, was not at all obliged to set out its obligations to its tenants. Although many council houses were improved by their occupiers, the tenants were never reimbursed even if they moved after a lifetime of occupancy.

There were some tenants' associations in local authority areas but they were often haphazard, usually ignored or at best tolerated by the local authorities. Many authority areas had no tenants' associations at all to make representation to the Council on matters which affected local communities, and no criteria by which they could judge the standard of facilities in a particular district.[4]

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1. Ibid., p.78.
2. Ibid., p.11.
3. Ibid., p.78.
4. See pp. 165-166 on non-traditional building.

To eliminate competition or rivalry between local authorities and private enterprise a comparatively new method of organisation was introduced following the war - direct labour. This was the direct employment by the local authorities of the operatives engaged in building new houses. It was first adopted by the Glasgow Corporation in 1921 but did not become a regular feature until 1937. Following the war, the Glasgow Direct Labour Department employed over 4,000 men, thus accounting for one-third to one-half of Glasgow's housing work force. Most of the work was on non-traditional[1] houses but the Direct Labour Department was also responsible for the maintenance work on the 63,000 houses owned by the Glasgow Corporation. Among other Scottish local authorities the direct employment of maintenance staffs for the servicing of municipal houses was fairly common. Also, a few county councils employed craftsmen in one or more separate trades on new building. But apart from Glasgow only a very few Scottish authorities built any new houses by direct labour, although a great number were in the process of developing such an organisation following the war.[2]

5. Allocation of Council Houses

(i) The Law and Administrative Practice

The statutory right of authority to manage and thus allocate housing was clearly vested in the housing councils. This was to be found in the various pre-war enactments and was to be clearly seen in

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1. Ibid., p.79.
2. Scottish Building Costs, pp.40-42.

the consolidation act of 1950, the Housing (Scotland) Act, 1950. The selection of tenants was primarily in the hands of the local authorities but the Government expressed its views in two ways : directly, by issuing statements of guidance on allocation policy, and indirectly by making alterations in the conditions for receipt of subsidy for new houses. In 1950 the Scottish Housing Advisory Committee issued 'Choosing Council Tenants'. But its recommendations, e.g. the adoption of the 'groups plus points' schemes and the abolition of residence requirements were not binding and were largely ignored.[1] This report was the only direct guidance on allocation policy given to the local authorities. One of the few other Government directives had been the wartime 'Distribution of New Houses in Scotland' by the Scottish Housing Advisory Committee in 1944. It recommended not only that local authorities house families from outside their districts, but also that preference be given to families whose chief breadwinner was in a nearby factory area.[2]

Owing to the fact that there were no physical housing surveys during these years the waiting lists for authority housing were often the only index of need. But these were often not up-to-date and did not always accurately describe the applicant's need, based on family size, age composition, etc. Many waiting lists were filled with names of people simply desiring to live in a council tenancy over some other type of housing, while the names of other persons much more desperately needing proper housing did not even appear on the roster. Waiting lists

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1. Scottish Housing Advisory Committee, Allocating Council Houses, (Edinburgh, H.M.S.O., 1967), pp.9-10.
2. Cramond, Allocation of Council Houses, pp.8-9.

were reviewed 'when necessary' or 'at regular intervals' but in reality this was usually at intervals of five years or more.[1]

(ii) Types of Allocation Schemes

There were two main types of allocation schemes during the post-war years - the 'straight' points scheme and the 'groups plus points' scheme, although there were many overlapping variations. There were as well three other methods that were only used in specialised circumstances. One was the date of application scheme(s), under which houses were strictly allocated according to the chronological order in which applications were lodged : no account was taken of the applicant's present housing conditions, family circumstances or employment. This scheme was only used in very small communities, the 1949 Scottish Housing Advisory Committee only recorded six small burghs using this method. In the merit schemes used by 46 small burghs and 18 counties in 1949, waiting lists were sub-divided by the councillors and officials who supposedly had a personal knowledge of the individual circumstances of each applicant and the greater flexibility was to ensure that the right size and type of house was allocated to each family. The obvious disadvantage of this method was its lack of a defined set of values by which any particular decision could be defended. The Dual Scheme dealt only with the houses built under the 1919 and 1924 Acts. These houses were allocated in a different manner than the remainder of houses in stock. But as the proportion of these houses in total stock diminished this distinction ceased to have any practical purpose and the analagous

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1. Ibid., pp.20-21. See also, Patrick Dunleavy, Politics of Mass Housing in Britain 1945-1975, (Oxford, Clarendon, 1981).

situation in 1945-1951 was that of re-letting existing 1919 and 1924 houses as against allocating brand new ones.[1]

During the post-war years the 'straight' points and the 'groups plus points' schemes were deemed to be the better allocation methods. In the 'straight' points scheme there were no separating groups of needs, instead points were awarded on the basis of length of residence, marital status or rate paying, and in some cases a combination of the three. In this plan all the applicants were placed on one list that supposedly measured all types and degrees of housing need which the housing authority considered relevant. Applicants aggregated points awarded under any heading of which they were eligible, e.g. length of residence, and were rehoused in turn as they came up the list. The most striking inequity of this system was demonstrated by the following example.

> In a small burgh it is possible to accumulate ten points solely for having lived, and paid rates, in the town for twenty years, while [only] a maximum of three points for even the severest degree of overcrowding.[2]

Other objections to the 'straight' points schemes were that they could not easily be fitted into a planned programme of slum clearance or adapted to alterations in housing policy. Thus its major fault was lack of flexibility.[3]

In the 'groups plus points' scheme a much more humane approach was taken, in which the local authority implicitly accepted that whether

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1. Scottish Housing Advisory Committee, Allocating Council Houses, pp.12 and 13.
2. Cramond, Allocation of Council Houses, p.28.
3. Ibid., pp.28 and 29.

families were overcrowded, homeless or living in slums they all were in genuine need of rehousing and that it was virtually impossible to gauge the extent of want on any arithmetical basis when needs were of varying natures. Consequently they allocated to each group or type of housing need, according to their estimate of its relative gravity, a proportion of the houses which became available annually. The order of each applicant in his own separate group was determined by a scale of points peculiar to that group and he was rehoused as he rose to the top of his particular list, as fast as the proportion of houses set aside for that group permitted.[1] The 'groups plus points' method was considered to be the most satisfactory method of allocating houses. But there was one major defect in this system : local authorities included a reference to the percentage of houses which they intended should be allotted each year to every group of applicants. These percentages tended to become sacrosanct as far as the printed word was concerned but were soon entirely disregarded in practice.[2]

(iii) Residential Requirements

A major issue of the local allocation policies was that of residential requirements, i.e. the time an applicant had to wait before his name could be added to the council list : in some cases the waiting time was six months, in other districts it was anywhere up to ten years. Thus even if the 'groups plus points' system had been uniformly adapted throughout Scotland it would still have been impossible in most areas

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1. Ibid., pp.22-23.
2. Scottish Housing Advisory Committee, Allocating Council Houses, pp.13-14.

for an applicant to have been considered for a council house, regardless of the urgency of his housing need, until he had lived for some considerable time in the area. If a newcomer's application was accepted for inclusion at all it would simply lie with no further action possible until he had satisfied the residence requirements. One small burgh even required a total prior residence by husband and wife of twenty years between them.[1] Cramond wrote on this issue in Allocation of Council Houses:

> It is illogical but natural that local residents should resent newcomers getting houses ahead of them. Length of residence in an area is regarded as having some intrinsic virtue, although it is palpably irrelevant to housing need.[2]

The objections to residence requirements were many. It condemned many families to additional years in wretched conditions while others who were relatively far better off were rehoused ahead of them. Many people had to turn down better jobs because they did not dare leave their district, forfeit hard earned points and residential requirements, and start all over again at the bottom of a list with a handicap of years. Many skilled workers who were badly needed by a particular new or expanding industry were unable to relocate.

Insistence upon the residence requirements even held up slum clearance in at least one area, where it was found that some of the families to be relocated did not satisfy the residence test and so were ineligible for the new houses built for them. They were left in their slum dwellings until some expedient was contrived, such as moving them

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1. Niven, p.81. See also, Cramond, Allocation of Council Houses, pp.32, 34 and 35.
2. Cramond, Allocation of Council Houses, p.34.

into a 'pre-fab', or into an old tenement house from which the owner-occupier had been rehoused on the condition that he allowed the local authority to nominate the first candidate. Whole blocks in this area of Glasgow were left derelict with only a few tenants in just such a way until some alternative to a normal council house became available.[1]

(iv) Special Groups

There were many special groups needing housing who had difficulties in qualifying for local authority housing, especially due to the residence requirements.

(a) Servicemen

Locating housing was a problem not only for the veterans who returned following the war but also for peace-time servicemen discharged during the post-war years after a long-term engagement. Usually a serviceman would have severed his connections with his home town and his wife moved with him through a series of married quarters. When he was discharged he had to find both a job and a house, but often the job was found in an area where he was expected to satisfy a residential qualification before he could obtain local authority housing. In their 1950 report 'Choosing Scottish Tenants' the Scottish Housing Advisory Committee advised housing authorities that where an ex-serviceman had found employment in an area, or had family connections with it, his application should be placed at no disadvantage because of his absence on service.[2]

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1. Ibid., p.35.
2. Ibid., p.37.

(b) Key Workers

Many local authorities contended that the preference given to residents was not a complete barrier to industrial mobility because they did allocate houses to key workers. The exact definition of a 'key worker' was not determined officially until 1960 in the Department of Health for Scotland Circular No. 37/1960, but was assumed in the post-war years to be restricted to 'someone sponsored by the Board of Trade as being essential to the establishment of a new industry or to the expansion of an existing industry in a development district'. A special subsidy was paid for houses built for those who qualified as key workers in this way, although the rate of subsidy was not usually higher than the ordinary housing subsidy, the fact that there was a special subsidy paid for a special purpose was useful in explaining to ordinary applicants why key workers were given priority and were not subject to the normal rules of allocation. Even though this scheme did not help the ordinary worker it was in fact essential, for if it had been blocked it would have denied employment to many in ancillary positions. Hence, the immediate housing of key workers in a new area was necessary to the development of new and relocated industries, but it should not be viewed as having been the solution to the housing problems of all relocated labourers, only that of a few highly skilled workers.[1]

(c) Occupants of Tied Houses

Throughout the post-war years there was confusion about the position of people in tied houses, a house granted to an employee for the length of employment, usually as part of his payment. Tied houses

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1. Ibid., pp.38, 39 and 40.

were generally only found in rural areas. Some local authorities ruled that people in tied houses whose living conditions were satisfactory could not be accepted on a waiting list, whereas the correct interpretation should have been that subsidy for rehousing was only payable when the tied house was given up, e.g. on retirement, when the occupants would go into the 'homeless' category.

(d) Engaged Couples

Applications from engaged couples for local authority housing were not usually considered. Only after the date of marriage, and then often not before a set period (usually one year) had elapsed, would applications be accepted. Hence, this qualification contributed further to overcrowding, as young couples - often with children - were forced to live with their parents or in-laws.

(e) Single Persons

There was never any coherent policy for the allocation of housing to single persons. One reason was that this group was so diverse, including widows, widowers, unmarried persons and couples living together. Some authorities would award no points at all to single persons, having thus arbitrarily decided that all single persons would be happier in some type of lodgings. Most authorities implicitly assumed that all applicants would be married or widowed. Thus one authority stated specifically that two of the five years of residence qualification should have been as a married person. The same authority made special provision for allocations to single persons, but only to men aged over 65 and to single women aged 45 or more. There were many arguments in the Council Chambers about allocating housing to families where the parents were not married. Some authorities simply would not

offer such couples a house until they were married legally, but most felt the Housing Committee was not the correct vehicle to correct public morals and that the childrens' needs should be attended to as well. Housing policy decisions were inconsistent not only from one local authority to another, but also within an individual authority, in regard to its own decisions. Nevertheless, in most cases unmarried couples were awarded sufficient points for residence, children, etc., to eventually enable them to obtain council housing, even without the points given for married status. In most areas if single adults failed to get a council house it was usually because there were not enough suitable small houses, or because the points scheme was weighted in favour of overcrowding rather than because the authorities refused in principle to allocate houses to those not presently married.[1]

(f) High Earners

Housing need was not always synonymous with financial need but most allocation schemes assumed they were. Although all local authorities were building houses with Government subsidy very few of them required any type of financial test on applicants. Some authorities had a maximum 'income bar' and would not accept applicants who earned over this figure. In some cases an applicant would simply be penalised a set number of points per the amount he earned over the 'income bar'. Other Housing Committees had a scale of income set according to the number of children. But most Councils accepted applications without any financial barriers except for applicants who were owner-occupiers. It was generally argued that a test for financial need was unnecessary,

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1. Ibid., pp.40-41.

at least in very poor housing conditions where the wait for tenancy was so long that virtually anyone who could better their financial condition would do so, to the point that he would come out of the 'urgent' category and thus would be ineligible for subsidised housing.

Thus the usual reasoning was that anyone who could afford to buy a house, i.e. an owner-occupier, should be ineligible. But this disregarded the fact that many of the tenement flats were statutorily not unfit, but were well below modern standards and were bought simply because they were not available to let. A possible solution to this dilemma of higher income persons seeking local authority housing might have been an income bar on applicants that would have charged differential rents relating to income, but this possibility was not even explored during these years.[1] Rebate plans and differential rent schemes tentatively introduced when rents were raised met with strong opposition. Many Scottish authorities were against such a plan in principle, feeling it was against the best interests of the majority. The opposition seemed in part to spring from memories of the 'means test', though it is doubtful if many of the younger applicants for council houses could even remember this pre-war scheme.[2]

6. House Building

The Scottish building programme was part of the National Building Programme which included industrial as well as house building, both of

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1. Ibid., pp.41, 42 and 43.
2. Cramond, Housing Policy in Scotland, p.85.

which were directly dependent on capital investment. The post-war building situation was fraught with scarcity of materials, delays in deliveries, shortages of skilled labour and a steep rise in building costs. There was a pent-up demand for new houses and long-delayed repairs, but resources were inadequate to fulfill them. The war had diminished Scotland's building labour force from a pre-war figure of 26,000 to 3,600 in 1945;[1] one-seventh of its previous strength. In the first two years following the war German prisoners-of-war were employed in site preparation work to supplement the reduced work force. But by January 1947 31,700 men were engaged on new housing, exceeding the number before the war,[2] many of them servicemen returned home from the forces. But there remained a shortage of skilled labourers, especially joiners and plasterers.[3]

Ninety per cent of all the houses built in Scotland following the war were constructed by and/or for the local authorities. Seventy-five per cent of these were apartment houses consisting of 3 bedrooms, kitchenette and bathroom.[4] The proportion of new houses built in Scotland with more than four apartments was considerably below the corresponding proportion for England and Wales.[5]

It cost two-and-a-half times more to build a four apartment house in 1947 than it had in 1939 - £473 to £1,143. The actual price of the materials included in the average house increased 125 per cent between

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1. Scottish Building Costs, p.7.
2. I. and E., 1946, p.65.
3. G.H.T.R., 1950, p.29.
4. Scottish Building Costs, pp.2, 4 and 5.
5. Baird, p.199.

1939 and 1947.[1] But even tender prices ceased to be a reliable indicator of the final cost of building a house in the post-war years. A higher level of management and improved standards of area, construction and equipment added to the building overheads. There was also the added cost of bringing workmen from a distance, while difficulties in obtaining materials led to delays and often made it necessary to use a more expensive substitute material.

The basic shortages were of timber and steel. Some timber was imported from Sweden and Finland. Generally, since the timber shortage was mainly of softwoods, the authorities suggested that hardwoods be used as an alternative to softwoods. This economy measure was necessary because much of the softwood came from the dollar areas.[2] The joinery industry agreed to use softwood for an enlarged range of cupboards, fitments and doors. There were also persistent difficulties in the supply of electrical equipment, cast-iron goods, fireclay pipes, and plumbers' materials.[3] The national fuel shortage in 1947 affected the building programme along with all other industries. There were local shortages of cement and bricks in 1950.[4] Arrangements were made with the Cement Makers Federation for supplies of cement to be imported from Denmark, Sweden, Belgium and Germany.[5]

The traditional houses usually required specialised labour and often scarce materials to construct, and could take up to two years to

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1. Scottish Building Costs, p.19.
2. G.H.T.R., 1950, p.29.
3. I. and E., 1946, p.66.
4. Ibid., p.52.
5. G.H.T.R., 1950, p.29.

complete. Thus with housing needs so desperate in Scotland during these years the non-traditional or 'pre-fab' houses began to be regarded with favour. The SSHA used non-traditional methods almost exclusively so as to avoid using skilled building workers and to speed up the construction time.[1]

The term 'non-traditional' implied a house built not in brick or stone, but in an alternative material, e.g. steel or aluminium, such as a steel-framed house or a concrete or concrete-framed house, which dispensed with bricklaying and plastering. The various kinds of non-traditional outer shells - of poured concrete, concrete blocks, prefabricated slabs, panels, timber, aluminium, steel and other materials were used extensively in the immediate post-war years. Non-traditional methods were not necessarily any cheaper but they helped in cases of shortage. By the early 1950's this was giving way to the cavity brick wall, although a great deal of non-traditional designs, materials, building practices were still used in the internal structures, no longer because of scarcity but because by this time they had been proved more efficient.[2]

On a population basis more houses were completed in Scotland than in England during the post-war years, but temporary and 'pre-fab' accommodations accounted for a much higher proportion North of the Border.[3] 32,106 temporary houses were allotted to Scotland at the end of the war to meet immediate needs. All of the major types of temporary houses were three-roomed houses with an estimated life of not less

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1. Chronicle of Forty Years 1937-1977, p.7.
2. Baird, p.196.
3. S.E.C.S., 1950, p.30.

than ten years, and were designed to provide accommodation for families of not more than three or four persons. They were constructed largely of non-traditional materials and in the case of the aluminium houses which came from the factory almost fully pre-fabricated, comparatively little labour was required for their construction on the site.[1]

A very apparent problem in the post-war Scottish building programme was the appallingly slow completion rate of houses under construction. The most extreme figure of imbalance between houses under construction and completions was 47,000 in January of 1949.

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1. I. and E., 1946, p.67.

Table 4 - New Houses in Scotland Completed and Under Construction, 1945-1951

Completed

Year	Permanent *Local authorities	Permanent Private enterprise	Temporary	Total
1945	1,428	138	437	2,003
1946	3,633	497	12,119	16,249
1947	10,573	1,309	11,994	23,876
1948	19,396	1,500	7,550	28,446
1949	24,661	1,038	76	25,775
1950	25,007	742	-	25,749
1951	21,773	1,006	-	22,779
Total since 1945	106,471	6,230	32,176	144,877

Under Construction

End of	Permanent *Local authorities	Permanent Private enterprise	Temporary	Total
1945	5,888	703	1,576	8,167
1946	29,619	2,182	3,114	34,915
1947	43,775	2,610	3,009	49,394
1948	36,582	1,683	103	38,368
1949	29,924	1,238	-	31,162
1950	30,518	1,250	-	31,768
1951	37,096	2,360	-	39,456

* Includes Scottish Special Housing Association - Housing Associations - Government Departments

Source: S.E.C.S., 1949, p.28 and 1951, p.31.

In 1947, when Cripps issued his 'Finish the Houses' campaign, the Government decided to concentrate building resources by limiting the number of new houses that were begun. This was following the Government's plans to restrain capital investment. When it became necessary to curtail capital investment again in 1949, steps were taken to effect the savings required in the total cost of new houses built by local authorities for letting without diminishing their numbers. Building economies were introduced and local authorities increased the proportion of houses of three apartments or less in their housing programmes.[1] These restrictive measures allowed the cuts in capital expenditure on housing imposed in October 1949 to be restored in April of 1950.[2]

Building trade unions did not play as significant a role in the Scottish post-war housing programme as was the case in Europe and Scandinavia at this time, especially in Sweden and Germany. In Scotland the promotion and management of builder-work operations was not considered a priority. They were content to follow the traditional route of simply securing employment, wage standards, and adequate conditions for their members. This was in keeping with the Scottish trade movement as a whole, for the building unions supported the idea that housing was a social service and thus accepted the idea that 'social housing' was entirely the duty of the local authorities.[3]

In the first post-war years it was shortages of materials, lack of labour (especially skilled workers) and the dramatic rise in

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1. Ibid., 1949, p.48.
2. Ibid., 1950, p.52.
3. Niven, p.109.

building costs that hindered house building. From 1947 to 1949 the emphasis was on completing houses already under construction. 1949 was the record year for post-war housing completions. In 1951 the new Conservative Government initially cut back on local authority building, but this was more than made up in the following year. The number of owner-occupiers and the amount of private building both rose under the new atmosphere of leniency towards private enterprise.

7. Private Enterprise

In 1948 limited authority to grant licences for private building was restored in England and Wales, but this was not extended to Scotland until 1951. The reasons for this were the much greater shortages of labour and materials, and the wider margin to be made up in the building programmes. The private sector in Scotland was uniquely small not only when compared to England, but also in comparison with many Western European countries where much of the private building was done by housing associations. This was reflected in the much lower number of owner-occupiers in Scotland. Many Scots never even considered themselves as potential owner-occupiers and were seemingly content to rely on rented housing in the public sector, as the availability of housing in the private rental sector rapidly diminished following the Second World War. Between the wars the number of new houses built in Scotland was only slightly less per capita than the number built in England and Wales. But Scotland's housing need was so much greater that this was not sufficient. A much larger proportion of inter-war building in Scotland was on local government account - 67 per cent in Scotland as

compared to 25 per cent in England and Wales.[1] The number of houses provided from 1 January 1919 to 31 March 1939 is shown below in Table 5.

Table 5 - Houses Completed in Scotland, 1919-1939

	England and Wales	Scotland
By local authorities	1,112,505	212,866
By private enterprise with State assistance	430,327	43,067
By private enterprise without State assistance	2,449,216	61,444
Total	3,992,048	317,377
		4,309,425

Source: Barlow Report, p.67.

Post-World War II house production was delegated almost exclusively to the local housing authorities. The March 1945 White Paper on 'Housing' stated that:

> There was a serious rise in building costs after the last war because demands went far beyond the real capacity of the building industry. In order to check such a tendency the Government will this time control the volume of contracts let by local authorities, the building and repair work done on private account and the price of materials, standard components and fitments.[2]

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1. Niven, p.96.
2. White Paper on Housing, (London, H.M.S.O., Cmd. 6609, 1945).

It was made quite clear by the report of the Department of Health for Scotland, 1945-1946,[1] that in August 1945, when local authorities were still able to authorise licences for private house building that this was to be done only to the extent that the available labour supply and the needs of their own programmes seemed to justify. Local programmes were large and since each authority was to judge its own needs, private building took a very poor second place.

By the end of 1950, according to 'Housing Returns for Scotland', private builders had completed only 5,224 homes since the war, as against 83,273 by the local authorities and the SSHA.. 1947 brought an even more rigorous control of building licences for private enterprise. But by 1950 this was relaxed to the point that one-tenth of the total housing allocation for local authorities was allowed to be used for private building. In 1951 the proportion was increased to one-fifth and the system of limiting licences to persons in special categories was ended. Progressive relaxations were made by the Conservative Government until in November 1954 building licensing was completely abolished.[2]

The 1945 Housing White Paper had promised subsidies to both houses built by local authorities and private enterprise. This policy was eliminated immediately when the Labour Government came into power following the General Election. Never again did any Government promise general subsidies for new houses built for sale by private enterprise.

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1. Report of the Department of Health for Scotland 1945-1946, (Edinburgh, H.M.S.O., for the Department of Health for Scotland, Cmd. 7188, 1947).

2. Cramond, Housing Policy in Scotland, pp.102 and 103.

Subsidies for new building were exclusively identified with local authority housing and after 1945 were not available to any private builders except housing associations.[1]

There were only two exceptions to this policy of no government subsidies for private building. One was for houses built for agricultural workers. The Housing (Agricultural Population) (Scotland) Act, 1938 enabled local authorities to give lump sums to private persons who built houses to replace unfit houses on farms. The other exception was the improvement grants made available under the Housing (Scotland) Act, 1949. This Act to a large extent implemented the recommendations of the Scottish Housing Committee's report 'Modernising Our New Towns'.[2]

Assistance had been available ever since 1923 for local authorities to grant loans to private persons to enable them to purchase a home. Individuals could gain loans under the Small Dwellings (Scotland) Acts, 1899-1923[3] or under section 75 of the Housing (Scotland) Act, 1950. Not only private individuals but building societies were able to obtain local authority loans under section 77 of the Housing (Scotland) Act, 1950 but very little use was made of this power until a scheme of guarantees was agreed on by the local authorities in conjunction with the building societies in 1954.

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1. Ibid., 103-104.
2. Ibid.
3. The Small Dwellings Acquisition (Scotland) Acts, 1899 to 1923, i.e. The Small Dwellings Acquisition Act, 1899, The House, Town Planning, etc. Act, 1919, Pt. III, The Housing, etc. Act, 1923, from Cramond, Housing Policy in Scotland, p.122, Appendix I.

Building society loans gave many people the opportunity to become owner-occupiers for the first time in their lives. In the late 1930's speculative builders in Scotland began to take real interest in the housing market for the first time since 1910. Encouraged by the Government and with the assistance of a growing number of building societies who were prepared to lend money on small individual properties, private builders began to build two-storey and single-storey detached or semi-detached villas on peripheral burgh and city sites all over Scotland from 1934 to 1939. The outbreak of the war brought all local authority and private house building to an end. The building societies never regained their 1930's prominence until the 1960's, thus the entire post-war era was without effective building societies in Scotland.[1]

The greater cost of providing house-room in Scotland was an obvious deterrent to private enterprise. It is difficult to demonstrate in particular why the cost was greater in Scotland because there were no figures for exactly comparable houses in the different regions of Britain at this time. Nevertheless, since the average Scottish house was larger than that in England and Wales (Scotland : four-apartment house - £1,293 average tender price as opposed to England and Wales : three-bedroom house - £1,170 average tender price) it was also reckoned to be more expensive.[2] The level of building costs in Scotland was approximately 10 per cent higher than in England and Wales. There was also in Scotland a much lower demand for house-room and a greater

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1. Niven, pp.30-31 and 120-121.
2. Scottish Building Costs (Report of the Laidlaw Committee, 1948) and The Cost of House-Building (Report of the Girdwood Committee, 1948), in Baird, p.201.

reluctance to pay for it. Long before World War II Scottish families were accustomed to a standard of housing far below the standard for families in England. Overcrowding was not intrinsically the fault of those who built Scottish homes but, at least partially, reflected the preference of many Scottish families for smaller houses. There was a strong conservative disinclination against a change to a new environment, a possible change of pattern of life, and higher rents. Also, Scottish families paid a much smaller proportion of their earnings on rent.[1] Nevertheless, though the Scots may have been 'accustomed' to such housing conditions, the success of the Independent Labour Party (ILP) Programme in the inter-war years showed that the Scots were not 'satisfied' with their overcrowding, according to Melling in Housing, Social Policy and the State. Indeed, there was a broad base of support for the ILP housing demands. This was demonstrated by the rent strikes organised by ILP leaders (usually skilled workers) at Glasgow, Clydebank and elsewhere during the 1920's. The strikes were in protest of Government relaxation of controls without any form of State protection of tenants against scarcity increases.[2]

Hence, the Scottish Rent Restriction Acts along with the system of ratings and valuation were another point of difference that helped account for the backward state of housing and the small amount of private housing in Scotland. In Scotland rates were not paid exclusively by the tenant as was done in England but were divided between the landlord

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1. Baird, pp.200-202.
2. For a more detailed account of the role of the ILP in the inter-war Scottish housing programme see Joseph Melling, ed., Housing, Social Policy and the State, (London, Croom Helm, 1980), pp.19-20 and 27-29.

and the tenant (who remained responsible for the occupiers rates). In the 1920 Rent Restriction Act the contractual rent of a controlled house, i.e. one with a rateable value of under £45, was pegged at 140 per cent of the 1914 contractual rent, in addition to any increase in owner's rates between 1914 and 1920. Any subsequent increase in occupier's rates fell on the tenant, but not any increase in owner's rates, which had to be met by the landlord out of the fixed contractual rent. Thus, as owner's rates rose, the net return to the landlord from his property fell, and he had a diminishing incentive to maintain and improve it.[1]

Housing conditions improved in the 1930's and some of the restrictions were gradually relaxed. But most houses with a rateable value under £35 were not decontrolled even in 1939. Restrictions were reimposed with the outbreak of war, and this time with a rateable value of under £90, thus covering all rented houses in Scotland, except those built and owned by local authorities. There were no relaxations during the post-war years.[2] By the mid to late 1940's no private landlord could afford to build houses for let. Although over 1 million of Scotland's 1.4 million houses during these years were in private ownership there was very little incentive to landlords to maintain their property as it was subject to a controlled rent far lower than in England and Wales.[3]

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1. Ibid., pp.204-205. See also, Joseph Melling, 'Clydeside Housing and the Evolution of State Rent Control', in Melling, pp.139-160.
2. Ibid.
3. Ibid., p.211.

After 1945 building by private enterprise was so restricted that even if private landlords had wished to build large numbers of houses for rent, they would not have been granted licences, for, if they had gained licences the local authorities would have had to cut their programmes accordingly. Thus the main impact of the difference in the rating system was on the maintenance and improvement of existing privately owned houses rather than on new building. The Scottish rating system not only transferred the function of buildings to let from private enterprise to public authorities but also gave the tenant cheaper house-room than he could rent under the English system of rating. The lower the rent, the more difficult it was for newcomers to find a home. From this point of view rent restriction, reinforced by the rating system, operated in the same direction as the housing subsidies. Although these forces were present in England and Wales, Scotland proved to be a much more extreme example.[1] According to S. G. Checkland in The Upas Tree writing on the immediate post-war years, 'Housing had become to a considerable degree a subsidised social service, and the private sector brought under rent control'.[2] So, in general the very low level of private investment must be reckoned to be a result of Labour's economic controls. This was a reasonable policy, as it would not have been realistic to expect private enterprise to meet post-war needs without some form of Government control.

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1. Baird, pp.205-206.
2. Checkland, p.45.

8. Glasgow and Overspill

Out of a total Scottish population of about 5 million approximately 2 million lived in the densely developed Clyde basin, and of this Glasgow's share was about 1 million. In relation to the concentration of the country's population, Glasgow was more important to Scotland, with 21 per cent of the total population, than London (including both the city and county of London) was to England and Wales, with less than 8 per cent.[1] In Scotland 24.6 per cent of the population lived in houses of less than three rooms; in England and Wales the proportion was 1.7 per cent. In Glasgow no fewer than 50.8 per cent suffered in overcrowding in this way; in London (including both the city and county of London) the figure was 5.5 per cent.[2] One cause for this was the geographic restriction of the site on which Glasgow was built which presented little opportunity for expansion. The built-up area of the city already joined up with Paisley, Renfrew, Clydebank, Bishopbriggs and Barrhead. Not only Glasgow but the entire Clyde basin was completely filled.

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1. According to the 1951 Census : Scotland - 5.09 million and Glasgow - 1.08 million; England and Wales 43.74 million and London 3.34 million. See, Ronald Miller and Joy Tivy, eds., The Glasgow Region, (Glasgow, prepared for the meeting of the British Association, held from 27 August to 3 September 1958), especially pp.242-269, 'Population Distribution and Change' by Joy Tivy and pp.270-273, 'The Glasgow Overspill Problem' by Berenice Baker. Also Robert Grieve, 'The Clyde Valley Plan - A Review', a paper delivered at the Town and Country Planning Summer School held at the University of St. Andrews, 1954, under the auspicies of the Town Planning Institute. And also, J. Cunnison and J. B. S. Gilfillan, Glasgow (Third Statistical Account of Scotland), 1958, especially the chapter on 'Population' by D. J. Robertson.

2. Brennan, p.25.

The city of Glasgow District was the largest public sector landlord in post-war Scotland, followed next by the SSHA. The waiting list for Glasgow was so large in proportion to the total number of households that the majority of households not already in corporation houses were represented on the waiting list in one category or another. The waiting list grew so rapidly (at a net rate of 7,500 applicants a year) that accommodations could only be given to priority cases, e.g. applicants who had tuberculosis or were living in condemned property.[1]

Glasgow's deficit on building of new housing added to its progressively larger deficit accumulated over a period of years. It had an annual deficit of £1.1 million on its housing account 1952-1953,[2] incurred during the preceding post-war years. This fact, along with the general increase in rents and the redistribution of rate burdens that were seemingly unavoidable in the late 1940's and early 1950's, needs to be kept in mind when analysing the extreme housing shortages in Scotland. The deficit restricted housing authorities in the amount of building, renovation, and relocating they were actually able to accomplish.

There were present in Glasgow two different approaches to the city's housing problems following the war. This debate over correct housing development policy was between two different levels of government : the Corporation of the City of Glasgow and the Scottish Office. The policies of the Scottish Office were a direct result of the Clyde Valley Plan. In 1943 the Secretary of State for Scotland convened a

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1. Ibid., p.23.
2. Baird, pp.209-210.

committee of all the local authorities of the region under the leadership of Sir Patrick Abercrombie : in 1946 it produced the Clyde Valley Plan. This report urged 'planned decentralisation of both population and industry'.[1] To keep the cities of the region from growing into each other the Clyde Plan recommended a 'green belt' which would envelop the city and define city limits. Thus when boundaries were made, with congestion already so great there had to be a mass movement of people out of the city. This came to be known as the 'overspill'. Decanting of the population was to be accomplished by means of the New Towns and with agreements with other nearby towns.[2] This was all in keeping with the recommendations of the 1940 Barlow Report.

The Glasgow Corporation and its City Engineer, Robert Bruce, disagreed with the slimming of the city in this way : his arguments were presented in the Bruce Plan. He felt Glasgow should 'fill in' less densely built parts of the city and rebuild where necessary at existing or even higher densities.[3] The Corporation, or rather its leading Labour group, advocated the policy of building houses wherever there was space within the existing boundaries and "tae hell with planning", as one of the Glasgow delegates was reported to have exclaimed at a meeting of the Joint Planning Committee.[4]

But by 1951 all available sites in the city had been either built on or earmarked for building and the councillors were forced to agree with the planning experts and the central and local government officials

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1. Checkland, pp.65-66.
2. Brennan, p.25.
3. See pp.278-279.
4. Brennan, p. 27.

that the time had arrived for mass transfers of the population away from Glasgow. In 1952 a new City Architect was appointed who recommended that 133,000 houses would have to be built outside the city.[1] The New Towns were the most obvious depositories for the population transfer. East Kilbride, fifteen miles east of Glasgow, was the first New Town designated under the New Towns Act of 1946. In 1947-1948 when it came into existence the battle between the Secretary of State and the Glasgow Corporation was at its height, and East Kilbride was opposed by the anti-overspill school.[2]

It was not until the late 1950's that the policy of comprehensive development, in which the slum areas such as Gorbals-Hutchesontown were attacked, began.[3] However, during the 1945 to 1951 years the Corporation did plan and execute large housing estates around the perimeter of the city, on green-field sites, using densities much higher than originally thought appropriate. Many of these schemes contained a large proportion of cottages but generally the trend was towards rows of three and four-storey walk-up flats. It was in this way that Drumchapel, Easterhouse, Castlemilk, Pollok and Priesthill came into existence. These peripheral estates absorbed 10 per cent of Glasgow's population.[4]

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1. Ibid.
2. See, H. R. Smith, 'The Dispersal of Population from Congested Urban Centres in Scotland', Public Administration, 34 (1956), pp.125-134. Note especially sections on the character of problems in Glasgow, and methods of dealing with overspill.
3. See, Frank Worsdall, The City that Disappeared : Glasgow's Demolished Architecture, (Glasgow, Molindan Press, 1981).
4. Checkland, p.67.

9. How Well Did The Government Do?

Douglas Niven in the Development of Housing in Scotland was extremely harsh:

> Scotland also enjoys some of the most inhuman, dreary and unimaginative post-war housing in the whole of Europe. The over-all standard of housing for working people is poor; environmental conditions exist in many Scottish housing areas which would simply not be tolerated in many European countries.[1]

An assessment of the criticism of Attlee's Government on the housing issue must ask if the Government did all it could or all it should have done for Scotland. Most critics of the Labour Government's policies on post-war housing failed to note initially that the housing situation in Scotland - especially in Glasgow - had been notoriously bad for generations. No one Government could be expected to have solved such deep rooted problems and imbalances overnight. That the post-war housing situation was much better in England and Wales was to be expected, as this was the pre-war position as well. Substantial though slow progress was nevertheless made in the Scottish housing situation following the war. It was not usually the housing policies which were at fault : any blame should be attributed to the lack of coordination which often prevented these policies from being implemented.

During the immediate post-war years, choice of housing in Scotland was almost totally limited to the public sector (council houses, New Towns and houses built by the Scottish Special Housing Association),

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1. Niven, p.32.

with very few options from the highly controlled private sector. The number of controls and checks on post-war building was phenomenal. Many businessmen were concerned about the issue of building incentives and the lack of a unified scheme, as well as with the question of the effect of the building industry, especially on small businesses, when the controls were lifted and government incentives and subsidies withdrawn.[1] The Labour Government was, of course, responsible for the continuation of controls into the post-war era, but in 1951 the Conservative Government, although relaxing matters for private enterprise, still retained basic control, through, for example, building licensing and subsidies, over the housing industry. The two major parties in the Glasgow Corporation, Labour and Progressive (Conservative), reflected the national split on the housing issue. Their differences lay in the views taken on private housing and the level of rents : the Labour view has been discussed extensively, but what the Conservatives wanted was additional land made more available for private enterprise and would have charged higher rents, closer to the true cost of housing provision.[2]

In 1951, the Conservative Party promised to build a minimum of 300,000 houses a year in Britain. During the period 1951-1961, this figure was only exceeded once, in 1954 when 308,952 houses were completed. The equivalent Scottish figure for that year was 38,653. These figures compared very favourably to the record of the previous Labour administration with 206,405 completions in 1948.[3] From 1950

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1. G.H.T.R., 1949, p.29.
2. Checkland, p.94.
3. Niven, p.84.

until 1953, the main emphasis in both England and Scotland was on local authority housing. By 1954 the private market in England and Wales was beginning to catch up with state housing completions but the Scottish pattern was going in the opposite direction, to increased local authority housing.[1]

Housing was a major political issue in Scotland and no political party could afford to offend the large number of 'council-house-voters'. Most local politics was dominated by the need to placate either council tenants or owner-occupiers, depending on the social composition of the community, and Scottish housing was given special attention if not treatment within British housing policy.[2]

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1. Ibid., p.89.
2. Kellas, The Scottish Political System, p.15. See also, Ian Hugh Adams, The Making of Urban Scotland, (London, Croom Helm, 1978).

Chapter Five

Scottish Industry

1. Introduction

Scotland's heavy industries came back into their own during the Second World War. But the obvious need for war-related products in 1939-1945, which caused a revival of Scottish basic industries - shipbuilding, iron and steel, coal and other heavy engineering - to some extent merely masked the insecurities of an unbalanced industrial economy. Repeatedly in journals printed during and just after the war there was expressed the fear that Scotland's economy might virtually collapse when war orders were discontinued. This proved not to be the case. One explanation for this was that in the immediate post-war years there was a good deal of industrial reconversion work to be done, as almost all the factories had been converted for war use. Coal and steel, two of Scotland's primary industries, were both in very high demand following the war not only at home but abroad, although domestic shortages limited foreign export. Scotland's economic progress during these years was slow but steady. There was no post-war boom in Scotland or the United Kingdom compared to that of the United States during these years. But Scotland, in particular, was starting from a point much further behind in relative terms of production due to the slump of the 1930's, than was America at this time. The Korean War gave further impetus to the post-war economy, re-armament called for the heavy industries again, although their order books had already been filled pre-1950. It is convenient, even if not totally accurate, to view the re-armament drive for the Korean War as a prelude to the 1950's, a decade of much economic growth for Scottish industry.[1]

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1. For more development of the 1950's see, Gavin McCrone, Scotland's Economic Progress 1951-1960, (London, George Allen and Unwin, Ltd., 1965).

Government intervention was viewed by businessmen and politicans alike, in varying degrees and on different levels, to be the correct means of 'propping up' heavy industry in Scotland as well as in the rest of the country. The most obvious form of Government direction came by means of nationalisation, but this only occurred in the so-called basic industries which had already been heavily regulated pre-1939.[1] The coal-mining industry is the best example of this. Another form of continued post-war Government control was that of industrial rationing, i.e. of iron and steel, whereby the Government retained the position of supplier of raw materials following the conclusion of the Second World War unlike in 1918. Also the 1945 Government, with the nationalisation of the railways in 1948, controlled industrial transport.

This chapter intends to concentrate on four dominating sections of traditional industry, the importance of which is revealed by the Census of Production Figures for 1948.

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1. See pp. 41-44 on Nationalisation of Basic Industries.

Table 1 - Employment Figures and Value of the Coal, Iron and Steel, Shipbuilding and Jute Industries for Scotland and Great Britain, 1948

	Total Value of Sales (£'000)	Persons Employed
Coal Mines		
Scotland	43,251	87,191
Great Britain	364,630	763,025
Iron and Steel (including Melting and Rolling, and Iron Foundries but excluding Tinplate - none in Scotland - and Wrought Iron and Steel Tubes, no figures available)		
Scotland	62,624	44,223
Great Britain	488,197	318,240
Shipbuilding		
Scotland	71,279	55,935
Great Britain	235,921	231,374
Jute		
Scotland	21,336	17,006
Great Britain	21,765	17,215

Source: Census of Production for 1948, (London, H.M.S.O., 1951), Volume 1, p.1/A/5; Volume 3, pp.3/B/35 and 3/C/27; Volume 4, p.4/A/22; and Voume 6, p.6/G/15.

Nevertheless, the industrial structure of Scotland was a complex web, more elaborate and interconnected than a straightforward account of coal, iron and steel, shipbuilding and jute alone would suggest.

Among the manufacturing industries the metal trades - including all engineering, shipbuilding, vehicle manufacture and repair, steel manufacture, instrument manufacture, precious metals, etc. - were indissolubly linked and accounted for one-sixth of the Scottish working population and employed nearly half of the total of those employed in manufacturing. Scotland specialised in the heavier branches of engineering, particularly the building of ships and locomotives. The Clyde was itself responsible for one-third of the tonnage launched from British shipyards; in 1949-1951 15 per cent of the new tonnage built all over the world was from Scottish yards. On the other hand, certain other branches of the metal and engineering trades were very poorly represented or entirely absent in Scotland, e.g. the building of aircraft, passenger cars and tinplate.[1]

Outside of the Glasgow area, the next largest concentration of metal industries was in the Falkirk area. This region was the centre of the Scottish ironfounding industry, which produced light castings such as stoves, grates, and sanitary ware. In some of these products Scotland had the leading share of the total British output. Falkirk also had an aluminium sheet-rolling mill, built during the war, which at least partially used aluminium produced in Kinlochleven and Lochaber. This was the most important Scottish centre of non-ferrous metal manufacture, but was very small when compared to those in England and Wales.[2]

Engineering was more widely dispersed than primary metal manufacture. Some of the smaller towns such as Kilmarnock, Arbroath,

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1. Leser, p.118.
2. Ibid., p.124.

Fraserburgh, Brechin, and Inverness had important engineering firms and all the large cities had an engineering industry separate from shipbuilding and marine engineering. In Aberdeen the emphasis was on cranes, stone-cutting and agricultural machinery; in Dundee on textile and business machinery; in Edinburgh on electrical engineering and paper-making machinery; the Glasgow area also had old established specialities such as sewing machines, sugar refining and mining machinery. Other metal trades localised in this area included older industries such as locomotive, railway carriage and wagon works, the manufacture of bolts and nuts, as well as new industries like the manufacture of aero-engines, caravans, typewriters and clocks.[1] But not all these engineering and heavy metal industries can be discussed in detail here.

There were of course also many smaller industries existing in Scotland during these years, which can again only be mentioned. They included factory trades such as the production of chemicals and building materials, and consumer goods industries such as the food, drink and tobacco trades, woodworking, paper and printing, and those using miscellaneous materials such as rubber. These together absorbed one-eighth of the labour force both in Scotland and in Britain as a whole and about one-third of all factory workers.[2] Nevertheless, before the war the amount of development of light industry in Scotland was not comparable to that occurring in England. Following the war there was a change in attitude towards Scotland and both the Government and the

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1. Ibid.
2. Leser, p.118.

private sector actively encouraged the development of light industry in the interest of industrial stability, though without immediate dramatic results.[1] The three best known light industries in the post-war years were probably whisky, and good quality furniture and glass.

Scotland had a virtual monopoly of the British whisky industry, Scotch enjoyed not only a world-wide reputation for excellence but also provided the largest single British dollar-earning export. Scottish-made furniture and glass were both up-market goods, highly sought after abroad - such as the furniture designed by Basil Spence and the glass produced by Edinburgh Crystal. But both of these small industries were so specialised that they produced no utilitarian goods : most glass and furniture for use in Scotland had to be imported from England. There was a long way to go before these goods, or the plastics, chemicals and electronics that theorists considered 'the hope for the future', even began to fulfill their promise. This did not happen between 1945 and 1951.

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1. Light Industries in Scotland A Case for Development, pp.7-9.

2. Coal

(i) Coal Industry Following the War

The effective distribution of fuel resources was more widespread following the war than before 1939, and the coincidence between coal-producing and high power consuming areas was no longer so valid, due partly to alternative sources of power, such as oil, hydro-electricity and (potentially) nuclear power. Coal nevertheless contributed over 90 per cent of the primary fuel requirements of the United Kingdom in the post-war years. Therefore reconstruction of the coal industry was vital to the British industry, for in 1945 the British coal output was the lowest of the century (175 million tons) and was actually only 40 per cent of the 1913 figure. Not only Great Britain but Europe as well was suffering from an extreme power shortage during these years; coal was needed for both domestic reconstruction and foreign exports.[1]

There were an estimated 20 billion tons of reserves in the Scottish Coalfields[2] following the war, which made it, in terms of importance of British Coalfields, second only in potential to Yorkshire and the East Midlands. Scotland was relatively short of high-grade coking coal; about 80 per cent of the coal produced was free-burning,

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1. E. S. Simpson, Coal and the Power Industries in Post-War Britain, (London, Longmans, 1966), pp.xvii and 2. See also G. L. Reid, Kevin Allen and D. J. Harris, The Nationalized Fuel Industries, (London, Heinemann Educational Books, 1973) on the gas and electricity supply industries and also the concept of a fuel policy that developed after the post-war years.

2. The word 'Coalfield' (capitalised) was used during these years to refer to a major National Coal Board (NCB) division. There were four such Coalfields in post-war Scotland. See pp. 202-209.

which was particularly suited for export demand.[1] Some coking coal was, however, to be found in the Kilsyth and Stirling areas and small quantities of anthracite and low volatile coals were present in the Central Area.[2]

The coal crisis of the winter of 1947-1948 demonstrated the dependency of the British economy on coal, and during these months unemployment briefly reached levels comparable to that of the early 1930's. Nevertheless, the problem was one of short-term underproduction in terms of demand and, it can be argued that the coal crisis had a greater impact on the general public and industry, who were inconvenienced for several months, than on the long-term future of the coal industry itself. These were transition years for the industry on many levels : the end of the war, nationalisation, the impetus of new capital, and the development of new technology. In this perspective the crisis was simply an incident in the midst of adapting to change.

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1. Oakley, p.130. Non-coking coals were particularly suited for export demand because upon carbonisation these free-burning coals yielded chars (or cokes) suitable for the production of smokeless fuels for the domestic markets.

2. Ibid., pp.129-130. For more information on the various types of coal in Scotland, the quality of each type present in Scotland in the post-war years, the distinction between surface (drift and open-cast) and deep mining, the variation between the thick and thin seams of coal and also where they were to be found in Scotland, and also quality control test, see William Warren Haynes, Nationalization in Practice : The British Coal Industry, (London, Bailey Bros. and Swinfen Ltd., 1953), pp.11-15 on the varieties of British coals, and National Coal Board Scottish Division, A Short History of the Scottish Coal-Mining Industry, (Edinburgh, Pillans and Wilson Ltd., 1958), pp.101-110 on the types and use of Scottish coals and also the G.H.T.R., 1950, p.50 on quality control tests.

Consumption, including exports, was much greater than production in 1945 and 1946 and as a result the 1947 coal stocks end-of-the-year inventory were lower than at any other time in the twentieth century. Thus the rapidly rising consumption of the post-war years, as opposed to the falling consumption of the inter-war years, along with record storms and extremely cold weather of January and February of 1947, caused the virtual stoppage of production in 1947. Stocks were replenished swiftly, yet at the expense of exports. In 1948 in an attempt to satisfy European demand, stocks declined once more. In 1949 the stock situation remained the same but there was another coal crisis, albeit much smaller than that of 1947 and plans were made once more to import coal from the United States.[1] During these years the House Coal Distribution (Emergency) Scheme functioned, largely voluntarily; also relief supplies of opencast coal were allocated to Scotland by the Minister of Fuel and Power from the Northumberland Coalfield.[2] Two spells of exceptionally good weather in 1949 and in early 1950 were useful in keeping home demand for coal down. This helped public utilities and industries stockpiled supplies so that when bad weather struck again in the winter of 1951-1952, although stocks for domestic use ran very low, there were sufficient supplies that neither the industrial nor the Government sector had to restrict their production levels.

Before the First World War Scotland's share of British coal production was rising but the World Wars brought about a markedly sharp fall in Scotland's production and instead of one-seventh Scotland was producing in 1952 only one-ninth of the British total output of coal.[3]

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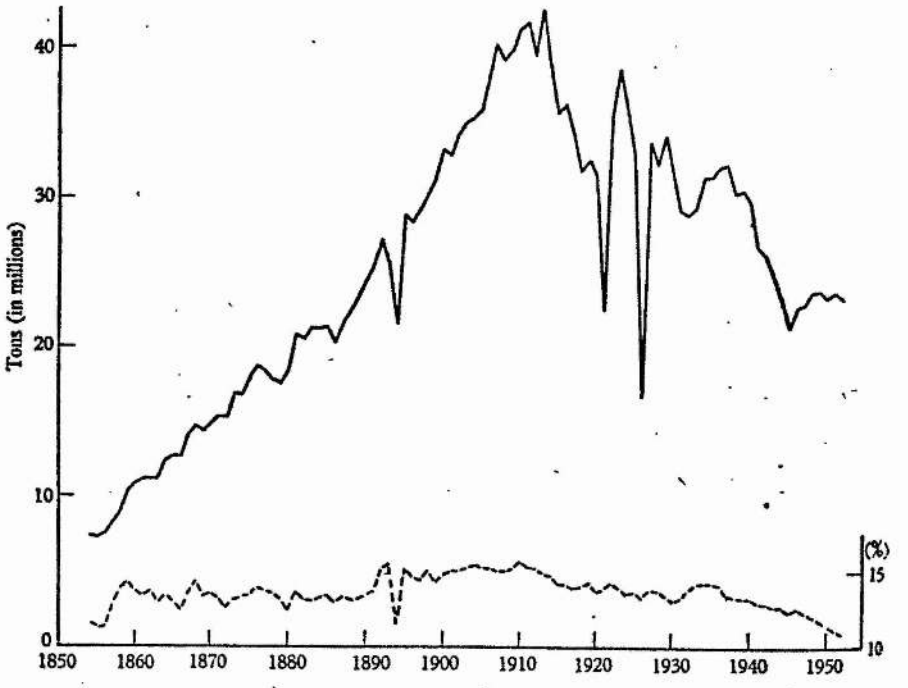
1. Haynes, pp.133-136.
2. G.H.T.R., 1950, p.15.
3. Ibid. and S.E.C.S., 1951, p.17.

The following diagram shows the striking decline of Scottish coal output from the mid-nineteenth century to the mid-twentieth century.

Figure 1 - Coal Production in Scotland, 1854-1952

Output in millions of tons _____

Scottish production as percentage of British output (scale on right) ----------



Source: Selected years from Leser, p.110, Figure 10 : Coal Production in Scotland, 1854-1952.

Nevertheless the depression of the inter-war years[1] was even more disturbing to the coal industry than even the upheavals caused by the World War such as disruption of normal work patterns, loss of many skilled workers and also (unlike in the metallurgical industries so vital to war-time products, i.e. welding), the retardation of technological advances within the coal industry. Yet it was the Depression that damaged most the efficiency of the industry. So little new capital was invested in the industry from 1914-1945 that not only could no new advances be taken but many of its productive assets, machinery, etc. were allowed to deteriorate.

(ii) Nationalisation

Coal-mining was the most heavily regulated 'basic' industry, by the Government, long before its nationalisation in 1947.[2] As early as

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1. Leser, p.109. For another perspective on this, compare the post-war years in Figure 1 with the percentages of rise in coal production for the same years on p. 197. The importance of the export market to coal-mining was one of the primary difficulties of the industry in the inter-war years. See Reid, Allen, Harris, pp.9-13 on the industry before nationalisation; Roy Campbell, Rise and Fall of Scottish Industry, 1707-1939, (Edinburgh, John Donald, 1980), pp.11-118 on Coal : labour and depression; also B. R. Mitchell, Abstract of British Historical Statistics, (Cambridge, Cambridge University Press, 1962), pp.108-123, for selected statistics on the pre-World War II British coal industry, a few of the charts are broken down by region, e.g. Scotland.

2. Perhaps the best history of coal control during the Second World War is W. B. H. Court, Coal, (London, H.M.S.O., 1951). There is a plethora of original sources and secondary works on the nationalisation of coal. Most of it deals with the British industry as a whole, but some do refer to the Scottish division if only in passing. Requisite Government publications : Coal Industry Nationalisation Act (1946) and Debates in Parliament on the Coal Industry Nationalisation Bill in 1946, particularly the speech by the Minister, Mr. Emmanuel Shinwell, moving the Second Reading in the Commons, 29 January 1946.

one of the reports of
1919 the Sankey Commission had advocated nationalisation for the coal-mining industry.[1] Strong support for the nationalisation of the industry came from various quarters including the miners themselves, the National Union of Mineworkers,[2] the Trade Union Congress (TUC), and the majority of the Labour Party.[3]

When the National Coal Board (NCB) was set up in 1947 its primary function was to improve output. This remained its first duty until the mid-1950's.[4] It was also mandated to recruit new labour, open pits with more sophisticated machinery, and to introduce more modern technology into the existing pits. Thus the NCB was the final authority on matters such as which mines were to be closed and which new sites developed.[5] It was to concentrate its efforts on the most efficient mines and to close the less productive collieries, based on supplies and cost analysis. There was no direct form of Government rationing of coal to

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1. See, Reports of the Sankey Commission, (London, H.M.S.O., 1919) and also Reports of the Samuel Commission, (London, H.M.S.O., 1926).

2. See, R. Page Arnot, The Miners : One Union, One Industry, A History of the National Union of Mineworkers, (London, George Allen and Unwin, 1979).

3. For more background on the movement towards nationalisation see, TUC Annual Reports 1892, 1893; Michael Foot, Aneurin Bevin 1897-1945, (the first of two volumes), (London, Granada Publishing, 1975); Robert Foot, A Plan for Coal, (Mining Association of Great Britain, January 1945), with Supplement to a Plan for Coal, (Mining Association of Great Britain, March/April 1945); Election Manifesto, (The Labour Party, 1945); Harold Wilson, New Deal for Coal, (London, Contact, 1945).

4. Parker, Labour Marches On, pp.61-62, of the original members of the NCB only two of the nine had a labour background, the others were former Colliery company directors. John Gollan, The Scottish Prospect, p.36, on the Scottish Regulatory Board there were four company directors, one trade unionist, and one professional man.

5. See also, R. Vance Presthus, 'British Public Administration. The National Coal Board', Public Administration Review, IX, No.3 (Summer 1949); and National Coal Board. The First Ten Years, (a Colliery Guardian Publication, undated but presumably 1957).

industry (as there was of iron and steel during the immediate post-war years), but there was a system of allocation for domestic use. Price setting, always an effective indirect control, was regulated by the Government through the auspices of the NCB.[1]

Although the National Coal Board never succeeded in reaching the production goals set for it by the Labour Government, there was a rise in production under Government ownership.[2]

1945-1946	3 per cent
1946-1947	3 per cent
1947-1948	5 per cent
1948-1949	3 per cent
1949-1950	1 per cent

The 1947 Economic Survey set a target of 200,000,000 tons of coal per year for Great Britain as a whole,[3] which each year was missed or just barely met, as this figure referred to deep-mined coal only. This was because the NCB was not responsible for opencast mining, which was supervised by the Minister of Fuel and Power.[4]

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1. See also, National Coal Board, Annual Report and Statement of Account for the year ended 31 December 1946 and a similar report for 1947, (London, H.M.S.O., 1946 and 1947); 'National Coal Mines', (The Colliery Guardian, 3 January 1947), p.13, included an account of Vesting Day ceremonies and speeches; also H. Townshend-Rose, The British Coal Industry, (London, George Allen and Unwin, 1951).
2. Haynes, p.133.
3. Economic Survey 1947, (London, H.M.S.O., Cmd. 7046), p.20.
4. Unless otherwise stated all figures on output will exclude opencast coal because of this division of power between the NCB and the Ministry of Fuel and Power.

Table 1 - British Annual Output of Deep-Mined and Opencast Coal, 1947-1951

	Target goal	Deep-mined	Open-cast	Total output (deep-mined and open-cast)
1947	200,000,000	187,203,000	10,245,000	197,448,000
1948	↓	197,646,000	11,748,000	209,394,000
1949	↓	202,678,000	12,440,000	215,118,000
1950	↓	204,124,000	12,185,000	216,185,000
1951	↓	211,100,000	11,000,000	222,100,000

Source: Selected years from Haynes, p.134, Table IX. Annual output of Deep-Mined and Opencast Coal : 1937-1952, in Ministry of Fuel and Power, Statistical Digest, 1948 and 1949, (London, H.M.S.O., 1950), pp.20 and 75; National Coal Board, Report, 1950, pp.188-189; Labour and Industry in Britain, X (September 1952), 120. The official target goal from Economic Survey for 1947, p.20, although other figures quoted during these years called for 230-250 million tons.

The 1950 National Coal Board Plan for Coal outlined the proposed modernisation and development schemes for the country for the next fifteen years. It was designed to be more flexible than the target output figures proposed in the mid-1940's and attempted to take into consideration to a greater extent the diverse factors that could and did slow production.

When the Scottish Division of the National Coal Board took control on 1 January 1947 it assumed responsibility for 275 Scottish mines that had previously been owned by over 120 separate colliery managements. Included in the former figure were 79 small mines which were scattered working 'pockets' of coal, which were left under the direction of their

previous owners, to whom they granted a special licence.[1] The other 196 mines came under the direct authority of the Scottish Division. There were four major divisions (or Coalfields) in Scotland : (1) Central, stretching across Lanarkshire, West Lothian, Stirlingshire, and into parts of Dunbartonshire; (2) Fife and Clackmannan; (3) the Lothians; and (4) Ayrshire and Dumfriesshire.

More than half of the Scottish mines were in a state of severe exhaustion of their workable resources and all of them, it was reckoned following the war, would be closed by 1965.[2] Already by 1954 nearly half of Scotland's coal came from the eastern Coalfields and this pattern was expected (and did) continue throughout the next decade. In consequence significantly over half of the expenditure of the Scottish Division of the NCB was allocated to the Eastern Area Coalfields.

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1. A Short History of the Scottish Coal-Mining Industry, p.85.

2. C. A. Oakley, ed., Scottish Industry, (The Scottish Council (Development and Industry), 1953), p.132. The earlier edition Scottish Industry Today, (Edinburgh, Moray Press, 1937) is quite interesting, it was divided by regional areas as opposed to the later edition which was divided by industry. Oakley's books often read like travel brochures, full of 'blatant self-advertising' for specific companies, industries, or Scotland in general, as Oakley himself remarked about some of the contributions to the 1953 edition. Nevertheless, these books, and especially the latter edition, remain one of the best sources of information regarding post-World War II Scottish industry.

Table 2 - Actual and Planned Output of Coal in Scotland by Area, 1950 and 1961-1965 (proposed) (million tons)

	Ayr and Dumfries	Lanark-shire	Fife and Clack-mannan	Lothians	Total
Output in 1950	4.4	7.8	7.3	3.8	23.3
Planned output 1961-1965	7.1	6.7	11.0	5.8	30.6
Percentage increase/ decrease	+61	-14	+51	+53	+31

Source: Leser, p.114, Table 55, from National Coal Board, Plan for Coal and Annual Report for 1950.

Although underconsumption was the overall problem of the inter-war years, the pre-World War II inability of the coal industry to meet even the existing consumer demand was caused by underproduction. To combat this the NCB set a very high annual national production figure of which the Scottish share was 30 million (of the national 200 million), which would in effect raise the Scottish level by 6 million tons. This rise in Scottish production was to be achieved primarily by the sinking of new mines, specifically in the Central and Eastern Coalfields. Nine of the 22 large new underground mines envisaged in the Plan for Coal were to be in Scotland, but it took 5-10 years from the initial building of a new mine to the point it reached effective production levels. Existing mines, which were deemed inefficient, were to be either closed or modernised extensively.[1] The loss of output from the closing of

1. Oakley, p.132.

inefficient mines was approximately 7 million tons a year of saleable coal, much of this was from the Lanarkshire area. Thus short-term policy included the construction of 60 new surface drift mines so Scotland could keep up her production figures while new collieries were being built.[1]

Scotland had implemented various forms of new technology in the inter-war years to a much greater extent than was done in England. This was extremely helpful during the post-war years in keeping Scottish labour productivity figures above those of England in a time when production levels were a record low. The introduction of automatic loading machines[2] in the pits and of mechanised washers for the coal were the two most notable technical advances in the post-war Scottish mines. Thus handcleaning of the mine output was virtually replaced by mechanisation, a new central coal preparation plant of 400-tons-an-hour-capacity was built at Dalkeith to replace four small out-of-date washers. Also following the war the coal 'fines' were flocculated or froth-floated as a step to prevent river pollution. The higher cost of mining equipment added to rising costs but the installation of labour saving devices was able to both increase the productivity of an

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1. A Short History of the Scottish Coal-Mining Industry, p.86.
2. Haynes, p.47. The 1945 Reid Report had placed heavy emphasis on unsatisfactory haulage arrangements in British mines, which automatic loaders came to replace. The Reid Report is properly entitled Coal Mining. Report of the Technical Advisory Committee, (London, H.M.S.O., March 1945, Cmd. 6610).

individual miner and eventually raise the level of production itself.[1]

(iii) Review of the Area Programmes

The Central West and Central East area Coalfields, which included Lanarkshire, were in a state of gradual decline. This area had produced 20 million tons a year in 1910; this had fallen to under 7 million tons a year following the Second World War. Although the decrease in Lanarkshire was dramatic there were still many seams of undeveloped coking coal which had never been developed in this area. Thus, while the Shotts and Clyde Valley sub-areas had exhausted their once prolific reserves of both coal and limestone, only a few miles south of Shotts the first major Scottish NCB project, Kingshill No.3, was built to develop an area with a 15 million ton potential of coking coal, although the fact that this mine was not built until 1953 demonstrated how slowly post-war reconstruction was achieved. Several other sites near Glasgow, Queenslie, Torrance (which was north of Cardowan), Darnley (near Barrhead), and various pits in the Chryston-Kilsyth district were being tested by borings in these years for possible development in the early 1950's. Construction was begun at a new Glenochil mine in the Alloa

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1. See also, Haynes, pp.46-50 on mechanisation and mine lay-out, and A Short History of the Scottish Coal-Mining Industry, pp.89-100 on mining hazards and the development of safety precautions. According to the S.E.C.S., 1949, p.7 : Fuel conservation was stressed heavily in these years of coal shortage. The Scottish Fuel Efficiency Committee propounded various schemes such as more economical methods of industrial boiler firing. Over 3,000 men attended courses arranged by the Scottish Fuel Efficiency Committee and credit was given to the Committee for subsequent reductions in coal consumption of 30 per cent for various large consumers and up to 50 per cent for several smaller enterprises.

district in January 1952, which was to produce 3,000 tons a day of surface drift. Other sites at Airth, Kinneil, and the area between Plean and the River Forth were pending planning permission, their eventual aggregate production was to be 3 million tons but this would not be realised until 15 years after initial construction was begun.[1]

The decline of coal-mining in Lanarkshire caused various social and economic problems in the West of Scotland. There was a great deal of social dislocation resulting from the closing of the pits. In the inter-war years this most commonly took the form of severe unemployment. One mining area just south of Glasgow, Blantyre, still had comparatively high unemployment during the 1945-1951 years. But following the war the closing of a mine usually meant another type of dislocation for the miners such as a move to another mining area of a transfer to another type of employment. Although, relatively speaking, there was a great deal of movement between mining areas, the net movement was quite small as there were fewer miners employed following World War II. Hence, the more dramatic change was a movement away from the mining industry altogether. Fortuitiously in Lanarkshire this sort of job mobility was made possible by a large number of factories built in that area following the Second World War.[2]

The coal reserves of Fife were principally concentrated near the North Sea in the area between Leven and Kirkcaldy; however, there were also large reserves in the West of Fife which were mined by the Valleyfield and Comrie Collieries. The largest new sinkings were to be

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1. Oakley, p.134.
2. Leser, pp.113-114.

found in the east of Fife at the Rothes Colliery, near Thornton. In addition major reconstruction was planned for the 1950's at the Michael Colliery, and a completely new sinking was planned near the coast to the south-west of the existing collieries of Frances, Michael and Wellesley, which would include the coals under the Forth.[1] During these years much of the Fife area was run by the Scottish Division of the NCB under the short-term policy of surface minings, as was done by its former private owners, so as to gain immediate results - there were twelve such mines in the Fife area.

The National Plan called for two major sinkings to be made in the Lothians at Bilston Glen and Monktonhall and a third was tentatively planned in the north-east, although it was not mentioned in the National Plan. Twelve collieries already existing in the Lothians were to be reconstructed during the immediate post-war years. There was also an unexplored basin of coal extending nine miles from near Rosewell to the Firth of Forth which contained 19 or 20 seams of workable thicknesses. A concentration scheme at Newbattle had by 1953 already doubled the 1947 output.[2]

The sinkings in Ayrshire were much more scattered than in the other major Coalfields. Preparations were made during these years for sinking new collieries at Killock (west of Cumnock), Barony Rigfoot and plans were made for an additional shaft four miles south of Barony at the existing Littlemill Colliery by 1954. There were also 8 reconstruction schemes in the Ayr-Dumfries area which would create 20 new

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1. Ibid., p.135.
2. Oakley, p.136.

surface drift mines; by 1953 11 of the 20 were already in production.[1]

This was quite literally a transition period for the Scottish coal-mining industry. Plans were being drawn for new sites and renovation schemes for existing collieries were devised but very few of these were implemented until the early 1950's. In terms of actual production the output of the various areas of the Scottish Division of the National Coal Board was as follows:

Table 3 - Output of Scottish Division of the NCB, 1947-1951 (tons)

	1947*	1948	1949	1950	1951
Fife and Clackmannan	6,538,000	6,994,700	7,318,100	7,311,500	6,558,870
Lothians	3,481,000	3,638,600	3,742,000	3,806,900	3,852,637
Central West	9,278,600	4,903,500	4,563,200	4,187,300	3,164,501
Central East		3,862,900	3,744,700	3,639,000	3,766,470
Ayr and Dumfries	3,676,300	4,384,300	4,467,200	4,348,900	4,402,347
Alloa	-	-	-	1,867,650	1,860,369

* 53 weeks

Source: S.E.C.S., 1947, p.8; 1950, p.7; 1951, p.7.

It is quite obvious from the above table that Scotland never reached its 30 million tons a year production target goal. Apart from the many

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1. Ibid.

causes Scotland had in common with other British mines which failed to reach production goals (e.g. shortage of workers), Scotland was also hampered by the small average size of Scottish mines. For example 79 of the 275 collieries in Scotland at Vesting Date were allowed to stay under private management, by special licence of the Scottish Division of the NCB, because they were so small. According to Leser in 1945 only 58 per cent of Scottish miners, as compared with 83 per cent in Britain as a whole, were working in collieries employing 500 or more wage-earners. The average output of Scottish collieries in 1950 was 120,000 tons per annum, the lowest for any division in Britian and far below the average for the East Midlands (420,000) or the North-Eastern Division (371,000).[1] But in the east of Scotland collieries were generally much larger than in the west and the average was not far

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1. Leser, pp.116-117.

beyond that of the country as a whole.[1]

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1. Buxton argued in a 1970 Economic History Review article that 'small' was not necessarily 'inefficient' in terms of the inter-war British coal mines. Buxton defended the entrepreneurs against the traditionally accepted charge which held it responsible to a great extent for the relatively poor performance of the industry between the wars by showing that 'it was not possible to establish a firm relationship between the size of a mine and its level of efficiency' (E.H.R., 1970, pp.478-479). According to Buxton larger mines were not - in practice - capable of generating technical economies of scale of a significant nature during the inter-war years (E.H.R., 1972, p.662). Two years later in a discussion article Kirby attacked Buxton for misinterpreting the Report of the Royal Commission (1925) and the Reid Report (1945), on the issue of the criteria (size or age) on which mines would be closed. That there was productive capacity surplus to requirements during the inter-war years was accepted by both Buxton and Kirby. Although Buxton stressed that the 1925 Committee was not as concerned with the elimination of surplus capacity as much as with 'the amalgamations of undertakings and the closure of redundant units of production' (E.H.R., 1972, p.656). Yet what both the Royal Commission and the Reid Commission stressed was inefficiency of the mines as the deciding factor, most of which would be older - not small - mines (Report of the Royal Commission on the Coal Industry (1925), I, Cmd. 2600, p.230). Hence, much of the Buxton - Kirby debate is working at cross purposes. Johnson wrote a rather vague Second Comment to this debate which reads very much as if he did not want to offend either Buxton or Kirby. Nevertheless, as Kirby remarked, at least Johnson's comments indicated that inter-war entrepreneurs would 'no longer be found guilty without trial' (E.H.R., 1972, p.669). See, Neil K. Buxton, 'Entrepreneurial Efficiency in the British Coal Industry between the Wars', Economic History Review, 23 (1970), pp.476-497; M. W. Kirby, 'Entrepreneurial Efficiency in the British Coal Industry between the Wars : A Comment', pp.655-657; Neil K. Buxton, 'Entrepreneurial Efficiency in the British Coal Industry between the Wars : Reconfirmed', pp.658-664; W. Johnson, 'Entrepreneurial Efficiency in the British Coal Industry between the Wars : A Second Comment', pp.665-668; Neil K. Buxton, 'Avoiding the Pitfalls : Entrepreneurial Efficiency in the Coal Industry Again', pp.669-673, Economic History Review, 25 (1972). See also, M. W. Kirby, The British Coal-Mining Industry 1870-1946, (London, Macmillan, 1977).

Thus there were a multiplicity of reasons why Scotland failed to meet its production goals such as reconversion to peace-time, installation of new machinery and the change to new technological procedures. There was also the added complication of shifting the mining centre from Lanarkshire to Fife, which entailed not only building new collieries and/or modernising the existing mines but also moving the miners and their families to a new area. The latter was, of course, compounded by the housing shortage although miners received preferential treatment in the allocation of council houses. Also the Scottish Special Housing Association was active in the construction of housing for the miners especially the 'pre-fab' houses which could be constructed relatively quickly by unskilled building workers. Not the least of the reasons explaining Scotland's 'underproduction' in terms of NCB target goals was that these goals were set unrealistically high. Perhaps theoretically these target figures might have been reached in a controlled economy, but the post-war years in Scotland were anything but static. Too many important variables were ignored when the target figures were set.

Table 4 - Scottish Division of NCB Target Production Goals and Actual Output, 1939 and 1947-1951 (tons)

	Scottish production target goal	Actual output
1939	-	30,528,900
1947	30,000,000	22,978,400
1948	↓	23,784,000
1949	↓	23,835,000
1950	↓	23,293,600
1951	↓	23,605,200

Source: S.E.C.S., 1939, p.8; 1946, p.9; 1948, p.8; 1950, p.7; 1951, p.7; 1952, p.10.

Thus the 1947-1951 years were a time of planning rather than actual physical reconstruction or particularly high output.[1]

(iv) Consumption

The fall in Scottish output had the greatest effect on exports because domestic consumption remained relatively steady.

Table 5 - Consumption and Production of Coal in Scotland, 1913, 1935 and 1951 (million tons)

	1913	1935	1951
Consumption	27.0	19.4	22.1
Net Exports	15.5	11.9	1.8
Production	42.5	31.3	23.6

(1) Including all consumption of opencast coal.

(2) Including all bunker shipments and net movements to rest of United Kingdom.

(3) Excluding 600,000 tons of opencast coal and including 300,000 tons of coal added to stock.

Source: Leser, p.111, Table 51, from Ministry of Fuel and Power, Statistical Digest.

The greatest proportion of Scottish coal was consumed within the country itself. The post-war annual output and level of home demand were much closer than before the war, with the result that a much smaller percentage was available for export.

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1. See also, Regional Surveys of Coalfields, (London, H.M.S.O., a series of Government publications issued between 1944 and 1946).

Table 6 - Distribution of Scottish Coal, 1936-1938 and 1947 (million tons)

	1936-1938	1947
Gas	1.86	2.29
Electricity	1.08	2.31
Railroads	2.13	2.33
Coke Ovens	0.91	1.30
Industry	6.70	6.94
Domestic	5.00	3.49
Colliery Consumption	2.50	2.05
Export Cargo and Foreign Bunkers	6.90	0.95
England	2.80	0.72
Northern Ireland	1.30	0.88
Total Consumption	31.18	23.26

Source: A Short History of the Scottish Coal-Mining Industry, p.106, Coal Consumption in Scotland; and p.108, Disposals to Markets outwith Scotland.

The demand for more gas and electricity following the war in turn put more demands upon the coal industry, and thus less in its primary form could be exported abroad.

The pattern of fuel consumption within Scotland did not vary greatly from that of Britain as a whole.

Table 7 - Consumption of Fuel and Power in Scotland and in Great Britain, 1951 (million tons)

	Scotland		Great Britain		Scotland as a proportion of Great Britain (percentage)
	Coal or coal equivalent	Percentage of total Scottish consumption	Coal or coal equivalent	Percentage of British fuel consumption	
Coal (raw)	15.3	66.6	117.9	56.8	13.0
Electricity[1]	3.6	15.7	36.5	17.6	9.9
Coke	2.5	10.7	34.6	16.7	7.2
Gas[2]	1.6	7.0	18.4	8.9	8.7
Total	23.0	100.0	207.4	100.0	11.1

(1) Public supply undertakings only, including hydro-electric undertakings. The consumption of coal at Scottish thermal stations in 1951 was 7.5 per cent of British consumption.

(2) The consumption of coal at Scottish gasworks in 1951 was 9.5 per cent of British consumption.

Source: Leser, p.111, Table 52, from Ridley Report (Cmd. 8647) and Ministry of Fuel and Power.

The consumption of coke was below the level in the rest of the country (10.7 per cent to 16.7 per cent) and the consumption of gas and electricity less than in the rest of the country. Scotland used more coal and coal-based fuel per head of population than the rest of Britain, the difference being greatest in the consumption by railways and by the collieries themselves.[1]

Table 8 - Consumption of Fuel by Major Consumers, 1951 (million tons)

	Coal or coal equivalent		Scotland as a proportion of Great Britain (percentage)
	Scotland	Great Britain	
Households	6.6	59.7	11.1
Iron and steel	3.3	32.3	10.2
Other industries	6.1	59.4	10.3
Railways	2.2	15.7	14.0
Collieries	1.8	12.1	14.9
Public authorities	1.45	11.6	12.5
Commercial	1.25	11.9	10.5
Other	0.02	1.9	10.5
Total	23.0	204.6	11.2

Source: Leser, p.112, Table 53, from Ridley Report and Ministry of Fuel and Power.

Increased demand was made by the expanding iron and steel industry. The production of steel required pig iron from blast-furnaces and these required iron ore and metallurgical coke. Metallurgical coke was produced in coke ovens from coals with suitable coking properties; this

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1. Leser, pp.110-111.

type of coal also being in high demand from the gasworks. Unfortunately, Scotland was very short of this particular type of coal. Hence, tonnages of coking coal had to be imported from abroad, while at the same time tonnages of different types of coal were being exported. This fact was viewed as intrinsically 'wrong' in materials published throughout the post-war years by the Scottish Division of the NCB. Yet it was only 'wrong' if Scotland was expected to be an isolationist in terms of saleable goods in a world of expending international commodity markets and 'free trade'. Post-war documents written by Scots often tended to deplore the lack of any natural resource, i.e. coking coal, as a personal affront to their country and to blame the depletion of their resources on British, and specifically English, economic imperialism of previous years.[1] But Scotland had never possessed more than a limited amount of coal seams and it was true that a great number of them were exhausted by the post-war years. It was not only counterproductive but also ludicrous for the Scots to have expected regional self-sufficiency in terms of natural resources. It is also interesting to note that there were never any complaints about exports only imports, and that there was actually resentment that so high a percentage of the annual coal output had to go to satisfy domestic demand rather than foreign markets.

The cost of saleable coal in Scotland exceeded the average cost in England and Wales by an increasing margin during the 1947-1951 years. In 1947 Scottish costs were well below the national average, by 1952 they were one-third higher than in the East Midlands, the lowest cost Area in Britain.

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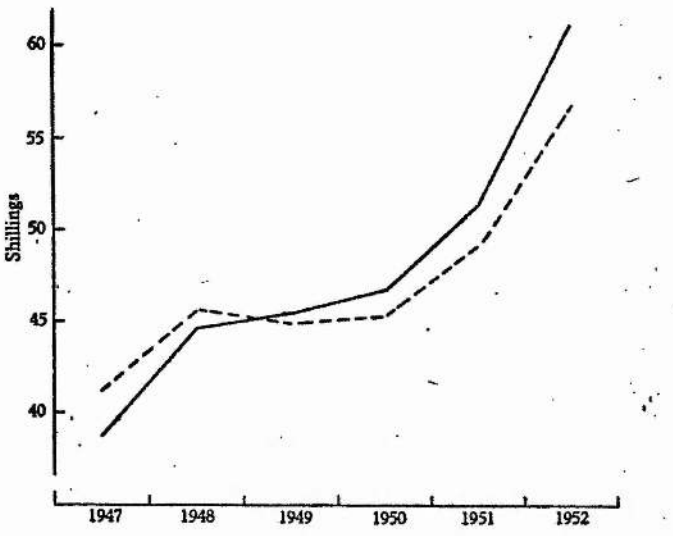
1. For example, see The National Coal Board's A Short History of the Scottish Coal-Mining Industry, p.106. This attitude also predominates in the Scottish Council (Development and Industry) 1953 book edited by C. A. Oakley, Scottish Industry.

Figure 2 - Cost Per Ton of Saleable Coal in Scotland and in Britain, 1947-1952

Scotland _____

Great Britain ----------



Source: Leser, p.116, Figure 11 : Cost per ton of saleable coal in Scotland and in Great Britain, 1947-1952.

A consistent profit was earned in Scotland until 1950, but in 1951 and 1952 a marked loss was registered. This may be partially explained by the loss of Scotland's pre-war lead in mechanisation following the war. In 1935 72 per cent of the Scottish output was cut by machinery as compared to 50 per cent for Britain as a whole; in 1951 these proportions were 86 per cent and 81 per cent respectively. Scotland's slight 1935 lead (48 per cent : 42 per cent) in coal conveyed by machinery was lost by 1951 as well (80 per cent : 88 per cent).[1]

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1. Leser, p.116.

The fall in coal production was also due to various factors regarding the employment situation, namely a smaller labour force, absenteeism and industrial disputes. There was a great fall in the 1939 figure of 30 million tons of coal to the post-war figures which never surpassed 23 million.

Table 9 - Scottish Coal-Miners and Coal Output, 1938-1952

	Output in tons	Average wage earners
1938	30,479,100	89,900
1939	30,528,900	88,303
1940	29,698,500	86,395
1941	26,561,700	82,929
1942	26,188,800	83,761
1943	24,701,800	81,746
1944	23,366,300	80,328
1945	21,395,053	80,328
1946	22,510,700	79,130
1947*	22,978,400	81,073
1948	23,784,000	82,397
1949	23,835,000	82,683
1950	23,293,600	81,492
1951	23,605,200	82,162
1952	23,300,000	84,766

* 53 weeks

Source: S.E.C.S., 1939, p.8; 1946, p.9; 1948, p.8; 1950, p.7; 1952, p.10.

The post-war level of labour productivity, output per man in tons, was decidedly low. In England one factor contributing to this was the apparent reluctance before the war to invest in labour saving devices as

it felt such modernisations were unnecessary to meet demand. However in Scotland the inverse situation was present, following the war labour productivity was higher in Scotland than in England, much of this was because Scotland had installed a great deal of new technology before the war, but the aggregate production level in Scotland was much lower than England following the war.

(v) Employment and Industrial Relations

The slow rate of recovery of the Scottish mines, unfortunate in view of the increased amount of capital invested in mechanisation and technical progress within the industry, was partially attributable to the extensive amount of absenteeism. In the late 1940's, after the passage of the 5-day-work-week, the 11 day fortnight was introduced in order to raise production. During the three years, 1950-1952 inclusive, Saturday working produced 1.5 million tons annually. But absenteeism was so widespread on Saturday mornings that the expected increase in output was considered to be virtually negated. Although the 11 day fortnight was technically continued until 30 April 1952, the Saturday shift was cut by half an hour in 1951 and the months of June, July and August excluded from the agreement altogether in an attempt to appease the miners and encourage them to come to work regularly. Absenteeism throughout the week also continued to be a problem during these years.[1]

Unofficial stoppages were both widespread and numerous during these years. In July of 1950 there were 60 Scottish collieries on

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1. S.E.C.S., 1950, p.7; 1951, p.9.

strike for increased wages. This led to the National Reference Tribunal in October of that year granting a bulk wage increase of £3.5 million to be divided among the lower paid workers by negotiation. This distribution provided an increase of 5s. Od. a week to the minimum rate for adult workers, this raised the minimum rate for coal-miners on the surface to £5 5s. Od. and to £6 Os. Od. for those underground.[1] This was just slightly lower than that of the national average for mine-workers.

In addition there was a marked fall following the war in younger workers joining the coal industry. Additional manpower was sought by special deferment and release from the Armed Forces of former mine-workers as well as men who desired to join the industry. There was a much greater need for workers underground than in the surface drift mines as surface workers were fairly easy for the mines to obtain. Improved conditions of employment such as the building of recreation centres and priority in the housing programme were all hoped to attract new workers. Coal-mining was in fact a post-war example of an industry actively seeking foreign workers as a stop-gap measure. Not until 1952, however, did the flow of new recruits, especially of younger men, to the Scottish coal-mining industry improve markedly. In 1952 double shifts were quite happily introduced by the mines to accommodate the new workers. But the introduction of the 5-day-work-week, wage increases and improvements of working conditions caused coal-mining prices to

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1. S.E.C.S., 1950, p.7. The higher average annual income of Scottish mine-workers in comparison to the rest of Great Britain was attributed to the longer hours worked by the Scots. D. J. Robertson in Cairncross, pp.159 and 162.163.

rise substantially.[1] The reduced labour force was even prevented from achieving the rate of production that it could have produced, because of restrictive practices such as absenteeism and unofficial stoppages. In January of 1951 Attlee made his last appeal to the coal-mining industry before leaving office. In a letter to all British miners he wrote:

> I ask you on behalf of the Government and of the country to go to work on every regular working day throughout the next four months, and to attend all the Saturday shifts for which your pit is open, or to work an extra half hour for five days, whichever is the custom in your district.[2]

The appeal was not heeded.

(vi) Conclusion

It is easy to write off the Scottish coal-mining industry of the post-war years as, according to Leser, 'By 1951 it was already obvious

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1. Following the war all new workers coming into the coal-mining industry had to attend a training programme. These courses covered all aspects of coal-mining from haulage and other basic underground work to work at the coal face. Furthermore, residential training courses were set up for juveniles which included both theoretical classroom work and practical underground experience at a training centre nearby. Likewise, there were similar non-residential courses for adults. Financial assistance was available for those who wished to attend these programmes. There was another programme designed to give practical experience to university trained mining engineers in the collieries. The NCB was quite proud of the scholarships it gave each year to four miners to do a degree in mining engineering - although this gesture was generally thought to be rather derisory. I. and E., 1946, p.26 and G.H.T.R., 1950, p.15.

2. S.E.C.S., 1950, p.8.

that output was falling, consumption rising, productivity lower than ever and the margin between Scottish and British costs continuing to rise'.[1] Although the Scottish Division did compare unfavourably with the improvement achieved in the other Coalfields of the National Coal Board, such a statement rounds off the post-war years in general negative terms and evokes images of economic decline and regional failure. On the contrary, although output in Scotland did fall 1950-1951 this was indicative of the British coal shortage of this winter and this argument was not valid as it isolates this year as an example of the post-war years as a whole; consumption was rising rapidly but this was generally felt to be a positive sign of a post-war economy readjusting itself to peace-time demand especially from heavy industry; although productivity was low throughout Great Britain, it was notably higher in Scotland than England[2] and Leser's statement took no account of this fact; the widening margin between Scottish and British costs was a valid criticism,[3] although, to cite probably the best explanation, Scotland was in the midst of transferring the bulk of its coal industry from one side of the country to the other during these years.

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1. Leser, p.117.
2. See p.201.
3. See Figure 2, p. 214.

3. Iron and Steel

(i) Historical Background

The Scottish iron and steel industry developed in the County of Lanark, famous for its large deposits of blackband ironstone. The ore was originally smelted with local coal in local blast furnaces. By the time the Lanark deposits had become exhausted the Clyde had developed into a large consumer of iron and steel. Hence the steel-making industry remained in this area, switching to imported ore and making increased use of scrap metal.[1] For some time the ample supply of local coking coals in Lanarkshire enabled the area to retain some of its locational advantages. But the supply of coking coals had dwindled appreciably by the post-war years; this was demonstrated by the shift of the coal-mining industry away from Lanarkshire to the east. Notwithstanding the depletion of both the ironstone and coking coal deposits in Lanark, the steel industry continued to expand and actually reached a peak of 2.4 million ingot tons in 1950. The main Scottish steelworks following the war remained in or on the border of Lanark; the largest was Clydebridge, situated on the outskirts of Glasgow, also in Motherwell, and at Glengarnock in North Ayr.[2]

The experience of the Scottish pig iron industry in the 1930's had been disastrous. In 1930: 'Business throughout the year was in a deplorable state, and at no time was there even the appearance of any ground for hope of improvement',[3] and in 1931 and 1932 only one furnace

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1. Leser, pp.121-122.
2. Ibid.
3. Campbell, p.159.

was in blast at a time. The 20 per cent duty on foreign (non-British Empire) iron was counteracted by the imports from England and India. As well as having to face competition from English steelworks, the profitable production of pig iron was directly dependent on the position of the steel trade, which in turn was dependent on the fortunes of the shipbuilding trade. But by 1937, when the heavy industries began to recover, the iron and steel industry still had to deal with several inherent problems, i.e., the need for new markets for their products, shortages of scrap and the competition caused by heavy importation of English, Indian and Russian pig iron. The increased demand for pig iron could not be met by the Scottish steelworks. The opposite problem was caused in 1938 when demand fell, for there was then a surplus of pig iron, most of it imported from abroad.[1] Following the war there were very severe shortages both of steel and of scrap metal. This was compounded in the West of Scotland by the exhaustion of Lanarkshire resources and the growing demand for the heavy industries, e.g. shipbuilding, which in turn called for both steel and scrap.

(ii) Post-War Planning and Reconstruction

During the final war years, 1943-1945, planners of the post-war steel industry expected correctly that the post-war years would be a sellers market. But there was also undue British fear of both American

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1. Ibid. See also the Glasgow Herald Trade Review for the years 1934 and 1936. M. W. Kirby, The Decline of British Economic Power Since 1870, (London, George Allen and Unwin, 1981), pp.57-81 on the British economy in the 1930's. Kirby discusses the iron and steel trade, in its role as a key exporting industry, and its lag in efficiency in the 1930's as indicative of the state of the economy. See also, Niel K. Buxton, 'Efficiency and Organisation in Scotland's Iron and Steel Industry during the Interwar Period', Economic History Review, 29 (1976), pp.107-124.

and Continental competition following the war,[1] no doubt caused by the glut of pig iron in 1938 attributable to over-importation of foreign pig iron. Some of the stress on low foreign prices may have been calculated by British planners so as to urge the case for modernisation and new technology in the industry. Although American exports were much higher than before the war, as British steelmakers had feared, this was due to high demand and world shortages of iron and steel rather than because the American steel industry had found new outlets for surplus capacity and/or were selling their products at price-cutting levels.[2] The volume of United States steel exports was greatest in the early post-war years. In 1949-1950 American domestic demand fell, as most of the wartime deferred purchasing,[3] reconstruction and world scarcities had been dealt with.

Table 1 - Exports of ingots, 'semis', and finished steel (thousand tons)

	United Kingdom	United States
1946	1,722.0	4,110.2
1947	1,280.0	5,663.3
1948	1,452.0	3,793.9
1949	1,738.0	4,128.5
1950	2,356.7	2,396.5
1951	1,915.7	2,756.3

Source: Selected countries and years from Burn, p.141, Table 9. Exports of ingots, 'semis' and finished steel (by country of consignment) (thousand tons).

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1. Duncan Burn, The Steel Industry 1939-1959 A Study in Competition and Planning, (Cambridge, Cambridge University Press, 1961), p.129.
2. Ibid., p.29.
3. Ibid., p.133.

The United States steel industry was indicative of the world economy at this point, as 1949 marked a slump in output and the end of post-war inflation, which Britain and Scotland shared in to a limited degree. Both British output and exports of steel rose slowly but steadily throughout these years. There was no dramatic fall in production in 1949-1950 in Britain as occurred in America, although a smaller drop did occur in 1950-1951 in Britain.

Table 2 - Production of crude steel, 1937, 1943, 1945-1951 (million tons)

	United Kingdom	United States
1937	12.98	50.57
1943	13.03	79.32
1945	11.82	71.16
1946	12.70	59.47
1947	12.72	75.80
1948	14.88	79.14
1949	15.55	69.62
1950	16.29	86.46
1951	15.64	93.93

Source: Burn, p.132, Table 6. Selected countries and years from World Production of Crude Steel, 1937, 1943, 1945-58 (million tons).

Although British consumption almost reached the pre-war peak in 1946 the output of crude steel, ingots and castings, did not exceed the 1937 figure until 1948, when it did so quite strikingly (1937 : 12.98 million ingot tons; 1948 : 14.88 million tons).[1] These patterns were typical

1. Burn, p.136.

of the British and American economies as a whole, steel production and exports proved to be good indicators of the health of a national economy, in this era of demand for heavy industries.

Rationing, based on the war-time system of allocations to industry at the discretion of the Government, continued throughout the post-war years. During this period little attention was paid to 'price mechanism' or the various aspects of handling profits and price policies, the emphasis in steel price policy was instead on keeping prices both low and stable. Government subsidies were used in association with other pre-war and wartime devices to bring this about. By 1949 the Government began to phase out industrial subsidies, as it had been meant to be only a transition measure from war to peace-time, and by this time the most immediate scarcities had been dealt with.[1]

(iii) Colvilles and Post-War Modernisation

The main centre of the Scottish steelworks was owned and managed by the Colvilles Group in Lanarkshire. In 1934 amalgmations produced Colvilles Ltd., which had 95 per cent of the Scottish capacity.[2] During the war Colvilles Ltd. and its subsidiaries rolled over 9 million tons of steel.[3] In 1943 post-war planning began in the Colvilles management meetings. The possibility of diversifying into the

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1. Burn, p.134.
2. Christopher Harvie, No Gods and Precious Few Heroes, (London, Edward Arnold, 1981), p.41.
3. Colvilles Ltd. Statement of John Craig to the Fourteenth Annual General Meeting, 24 May 1945, Peter Payne, Colvilles and the Scottish Steel Industry, (Oxford, Clarendon Press, 1979), p.262. See also, Payne, p.263, Table 10.1, 'Ingot Output : United Kingdom, the Colville Group, and Lanarkshire Steel Works, 1939-1945'.

development of plastics was investigated but eventually dismissed as too great of a change or alternatively because the by-products from the coke ovens were too valuable. One type of post-war innovation that was implemented was the supply of sheet steel needed by the housing industry, especially for the construction of pre-fab and various temporary houses.[1] Colvilles spent approximately £3,200,000 on plant extensions and improvements in the first five years after the war and were almost able to attain their post-war target goal by 1950, when they produced 1,887,170 tons of steel ingots and 488,303 tons of pig iron.

Table 3 - Crude Steel Output : United Kingdom, Scotland, and the Colville Group; and Pig Iron Production of the Colville Group, 1946-1951

	U.K.	Scotland		The Colville Group		
	Thousand tons	Thousand tons	% of U.K.	Crude Steel (tons)	% of Scotland	Pig Iron (tons)
1946	12,694.3	1,764.5	13.9	1,410,824	80.0	375,121
1947	12,724.5	1,878.9	14.8	1,489,513	79.3	341,640
1948	14,876.6	2,253.9	15.2	1,734,675	77.0	521,564
1949	15,552.9	2,381.8	15.3	1,853,650	77.8	511,142
1950	16,292.7	2,426.2	14.9	1,887,170	77.8	488,303
1951	15,638.5	2,114.8	13.5	1,664,922	78.7	546,335

Note: Crude Steel Output represent the total tonnage of steel produced by the open-hearth, Bessemer, and electric processes, together with all other ingots and castings, in each calendar year.

Source: Payne, p.316, Table 11.6 in Crude Steel Outputs, U.K. and Scotland : British Iron and Steel Federation, subsequently Iron and Steel Board and the B.I.S.F., Annual Statistics. Crude Steel and Pig Iron outputs of the Colville Group : Colvilles Ltd., Annual Reports and Accounts.

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1. Ibid., pp.275-320 a detailed account of Colvilles Ltd. in the post-war years, its modernisation programme, and some discussion of Colvilles relationship with the Government, the British Federation of Iron and Steel and the First Iron and Steel Board. Payne's book is an excellent business history of the Colvilles Steelworks, but it only makes isolated attempts to fit the industry into some type of national much less international framework.

Post-war planning was also being done by the Post-War Reconstruction Committee of the British Iron and Steel Federation, which in 1943 asked Colvilles, along with every other British steelworks, to provide estimates of their probable capital expenditure in the first five years after the European Armistice.[1] The plan Colvilles submitted to the Federation included, most importantly, the construction at Dalzell of a modern smelting shop consisting of six 100-ton furnaces; this represented a great advance in the modernisation of the industry which had been interrupted by the war.

Modernisation plans for the post-war Scottish steel industry were designed to make Scotland less of a transit area, dependent on imports from abroad and other areas of Great Britain, and more reliant on local supplies of pig iron and scrap. Just before the war Colvilles had built a complete plant for the manufacture of pig iron with a combined capacity of 600,000 tons of steel-making iron per year, to take the place of their Glengarnock and Clyde Iron Works both of which were antiquated in terms of technology and quite literally worn out. The existing blast furnaces, primarily at the Bairds and Scottish Gartsherrie Works which manufactured hematite and foundry iron, were obsolete and at the conclusion of the war were replaced by modern plants. The necessary facilities for ore preparation and sintering were also built. Limited expenditure was made to reconvert the Colville steelworks at Glengarnock, Lanarkshire and Clydebridge. The steel-making plants of the Steel Company of Scotland, a subsidiary of Colville, were scrapped altogether as inefficient. All the post-war proposals were designed to concentrate the

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1. Payne, p.276.

various forms of production in particular plants. Thus rail and sleeper-related manufacture was concentrated at Glengarnock, the heavy section and joist trade at Lanarkshire, and consequently the rolling mill at Hallside was closed. According to the 1945 Report to the Ministry of Supply on the Iron and Steel Industry by the British Iron and Steel Federation, other non-Colvilles plants, such as Bairds and Scottish Steelworks, were allowed to stay in business but were mandated to make stringent efforts at greater economy in their operating costs. Other proposals included the extension of the Beardmore's plant at Parkhead of the steel foundry and arrangements for the manufacture of the heavy forged rolls needed for the continuous hot and cold rolling mills. The steel smelting shop at Parkhead was designed to meet the needs of the British Admiralty for the post-war naval fleet.[1]

Basically, steel was made in a crucible where the ingredients, usually already in a molten metal state, were heated to a very high temperature and oxygen was blown through the 'melt' to create the chemical reaction to make steel, with scrap added to act as a coolant. It was the chemical reaction which took place with the introduction of oxygen to the iron that caused the iron to be refined into steel.[2] Most of the Scottish steelworks used cold metal rather than hot metal, the

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1. British Iron and Steel Federation, Report to the Ministry of Supply on the Iron and Steel Industry, (Steel House, London, December 1945), pp.11-12. Also Payne, p.277.

2. British Scrap Association Jubilee Issue, May 1969, p.21. See also, George E. Linner, Welding Metallurgy Carbon and Alloy Steels, (New York, American Welding Association, 1965), pp.13-49 on types of steel and their manufacture, a very good summary of the various processes of steel-making and the different types of steel (i.e. carbon, alloy, high-alloy and tool-steel) produced.

more modern technique. No other steel-producing region in Great Britain, not even Sheffield, used so little hot metal in the post-war years. In 1950 2.55 million tons of cold pig iron and steel and cast iron scrap were used and only 110,000 tons of hot metal. However, the position was slowly changing for in 1937 no hot metal was used at all and by 1951 the figure had risen significantly higher (194,000 tons) than the previous year, thus the switch was being made quickly following the war. Only one steelwork in Scotland could claim to be integrated, making use of both cold and hot metal; this was, predictably, the main Colvilles unit at Clydebridge. Another post-war technological change within the industry was the trend towards a higher charge of pig iron per ton of steel, the shortage of scrap in these years having forced Scottish steel-makers to make themselves less dependent on imported scrap by building new blast furnaces.[1]

Until 1937 there was a free market operating in the purchase of scrap metals.[2] At this point there were far fewer grades of scrap available than in the post-war years. Each year the proportion of wrought iron was lessened with steel increasingly replacing it. There was, as well, a change in the types of steel scrap collected. Alloy steels had come into common use, and with them the constant problem of contamination. In addition there was a growing proportion of steel ingot output devoted to sheet rolling, so that both the new process

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1. Leser, p.122.
2. Reclamation Industries Review, British Scrap Federation Jubilee Issue, pp.4-5.

scrap and 'capital' scrap became on average progressively lighter.[1]

(iv) Output

Most of the Scottish output was plates, heavy rolled products, wrought iron and steel tubes. In light rolled products, such as wire and sheets, Scotland had a relatively small share of the British total. Scotland was the second largest producer of alloy steel, just behind Sheffield.[2]

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1. Ibid., pp.18 and 9-10. Pre-1937 the main centre in Britain for buying and selling of scrap was the Birmingham Iron Exchange which ran weekly sessions every Thursday. The British Iron and Steel Federation approached the British Scrap Association (formed in 1919 and reorganised in 1935) with an offer of a guaranteed market and fixed prices in exchange for the merchants surrendering their right to free trade and export. Although there was substantial opposition within the British Scrap Association to such closed-market conditions the majority voted to accept the new system. The implied threat of the steel-makers to implement central buying, which would have 'knocked the bottom out of free trade anyway' made acceptance of the fixed price agreement inevitable. There was a very high demand for steel not only from British steel-makers but also from abroad beginning in the early 1930's, as the world's industries began to recover from the worst effects of the Depression years. Thus the agreement not to export was the worst part of the British Iron and Steel Federation/British Scrap Association negotiation, to the minds of the scrap merchants who had hoped for considerable overseas sales.

2. Leser, p.122.

Table 4 - Output of Finished Steel Products in Scotland and in Great Britain, 1949-1951 (thousand tons)

Product	Average output per annum, 1949-1951		Scotland as % of Great Britain
	Scotland	Great Britain	
Plates	636.4	2,090.1	30.4
Other heavy rolled products	422.5	2,618.8	16.1
Tubes, pipes and fittings	178.3	1,081.8	16.5
Castings	46.5	248.8	18.7
Light rolled products	326.1	4,465.7	7.3
Sheets	74.0	1,608.9	4.6
Wire	24.1	822.8	2.9

Source: British and Iron and Steel Federation Statistical Yearbook in Leser, p.122, Table 59.

Two attempts to make tinplate, at Coatbridge and Motherwell, were both unsuccessful and Scotland was never able to capture this important section of the post-war steel trade.[1]

The Scottish sheet trade was noted for the variety in size of its products : Scotland in fact produced the largest steel sheets rolled in Britain. The development of the continuous strip mill in the United States had grown, until following the war this was the most important procedure of the American steel trade. This method was predicted to replace all other forms of manufacture, with the possible exception of small plants to make highly specialised alloy or other products for a

1. Oakley, p.142.

small but steady market. There were no continuous strip mills in Scotland at this point except for aluminium.[1] This was obviously the next step for the Scottish steel sheeting trade in terms of development.

Since the early days of foundry work, iron pipes and pipe fittings were traditional exports of the Scottish industry. In honour of the Scottish reputation for excellence in this trade the name 'Scotch-casing' was given to the first tubular goods used in North America for the oil pipelines, which consisted of short lengths of light cast iron pipe. The leading products of the post-war Scottish industry were oil well casing and tubing; water, gas, air and sewage mains; boiler tubes and steam pipes; tubes for structural and mechanical purposes; ship's derricks and masts; poles for transmission or lighting purposes; butt-welding fitting and flanges; pipe-work for oil, steam, water and other installations. The diameters of these tubes ranged from six feet, formed from a steel plate with the seam welded, to small seamless tubes made from a solid bar. The procedures employed included hydraulic lap-welding, rolled lap-welding, seamless and cold-drawing. The most modern pre-war seamless mill was located at Stewart and Lloyds Clydeside Works near Bellshill, which was an integrated steel and tube plant. Then after the war Stewart's and Lloyds built a second seamless mill, a rotary forge mill with a capacity of 100,000 tons per annum at this site.[2] The Clyde shipbuilding industry relied on the local steel tube industry to supply them with their derricks, masts, davits and deck railings. Throughout the United Kingdom and the Commonwealth, Scottish

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1. Ibid.
2. Oakley, p.143.

tubular poles carried transmission cables, telephone and telegraph lines, and also lighting, tramway and trolley-bus standards.[1]

The production of heavy forging and castings in Scotland was largely determined by the demands of the shipbuilding industry for hull and propelling machinery. Yet the same firms which produced the heaviest steel forgings and castings also manufactured other heavy components not related to marine engineering, such as forged rotor bodies for land station turbo alternators, castings for steelwork plants, mills, presses, etc. Less than six post-war Scottish firms made heavy castings, (this term referred to products with a finished weight of 20-120 tons, only occasionally did it surpass this figure). The only forging in Scotland was press forging, the top limit was 160 ingot tons at Beardmore's Parkhead Forge.[2] The production of heavy steel casting required firms to make their own steel, either open-hearth or electric. The heavy capital that was associated with the production of heavy steel forging and casting such as locomotives, steam boilers, gas producers, annealing furnaces, forge heating furnaces, forging presses and hammers, cranes and heavy machine tools, and various building and transport appliances were all modified as well so as to be able to handle the increasing size of the components.[3] The usual products of a heavy casting works comprised mill housing, turbine casing, stern frames, rudders, propeller brackets, etc. Various improvements were made in the heavy forging and casting trade following the war, many of which were suggested in the report of the Steel Founding Team of

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1. Oakley, p.144.
2. Ibid., p.146.
3. Ibid., p.147.

the Anglo-American Council on Productivity. The whole spectrum of steel casting products were produced in Scotland from tiny alloyed castings to the very heaviest castings produced at Beardmore's and the Scottish Steel Company. The castings were produced both in plain carbon steels and alloy steels, from lightly alloyed to stainless steel. The prosperity of the light steel casting trade was based on the building industry, although during 1939-1945 it was commandeered into the production of wartime goods. Following the war the Scottish steel foundries in aggregate contributed one-quarter of the British total.[1]

Making drop forgings was a comparatively new industry to Scotland. The first impetus came from the post-World War I automobile industry in England which needed drop forgings to replace castings and hand forging for the mass production of cars and trucks. Other branches of the engineering industry soon called for drop forging products and demands came from the makers of locomotives, wagons, diesel engines, ships, boilers, agricultural implements, etc. During the Second World War the three principal drop forgers, the Carron Company at Falkirk, James Dickie and Sons and the Scottish Stamping and Engineering Company, both at Ayr, all multiplied their capacity and produced some of the heaviest hammers and forging machines in Great Britain. Following the war these forges did not run at all near capacity due to a shortage of quality forging steel and lack of demand for Scottish forges which resulted in Scotland producing only 8 per cent of the British total.[2]

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1. Ibid., pp.149-152.
2. Ibid., pp.148-149.

(v) Consumption

Although there was no figure for steel consumption in Scotland comparable to that for production, the Monthly Statistical Bulletin of the British Iron and Steel Federation estimated that in the last quarter of 1950, when deliveries of finished steel from Scottish steelmakers were just under 500,000 tons, the total consumption of steel in Scotland amounted to 289,000 tons,[1] or 60 per cent of total deliveries. Thus, Scotland was a large net exporter of steel, particularly of heavy rolled products. The consumption of plates and heavy rolled products was about half the total output and about the same percentage applied to steel castings, tubes, pipes and fittings, and to alloy steel. A substantial number of the few light rolled products manufactured in Scotland were exported out of the country. Conversely, Scotland was forced to be a net importer of strip, tinplate, wire, tyres, wheels and axles.

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1. British Iron and Steel Federation, Monthly Statistical Bulletin 26 (June 1951), no.6.

Table 5 - Consumption of steel by industry in Scotland and the United Kingdom, at fourth quarter 1950 rates (thousand tons)

Industry	United Kingdom	Scotland	Scotland as % of United Kingdom
Mechanical engineering	1,356	172	13
Motors, cycles and aircraft	1,156	36	3
Constructional engineering	1,010	182	18
Shipbuilding, repairing and marine engineering	950	234	25
Railways and rolling stock	842	98	12
Hollow-ware	608	20	3
Coal-mining	578	68	12
Bolts, nuts, screws	496	54	11
Metal furniture, windows, etc.	480	26	5
Electrical machinery and apparatus	458	14	3
Drop forgings	448	42	9
Iron and steel	416	56	14
Building and contracting	392	44	11
Wire manufacturers	302	36	12
Agricultural machinery (excluding tractors)	196	24	12
Other British consumers and small users	708	50	7
Total	10,396	1,156	11

Source: Leser, p.123. Estimates by the British Iron and Steel Federation.

These figures, again compiled by the British Iron and Steel Federation, show some of the striking differences between the metal and engineering industries of Scotland and the United Kingdom. There was a conspicuously low proportion of Scottish to British consumption in motors, cycles

and aircraft, hollow-ware, metal furniture, and electrical machinery, and a just as conspicuously high proportion in mechanical and constructional engineering, iron and steel and shipbuilding.

(vi) Government Intervention

The Government supervised the iron and steel industry very closely from the Depression years onwards. This was not only because as a 'basic' industry its welfare concerned the entire national economy, but also because of the sensitivity of the industry to the trade market, which caused it to suffer more severely than other industries from fluctuations in the market. In the early 1930's the industry was faced with not only shrinking markets at home and abroad, but also with competitive foreign rivalry. In 1931 the gold standard was suspended[1] and the following year Britain abandoned its traditional policy of free trade. As part of a comprehensive policy to encourage industry to recover its losses, a tariff was placed on all imported iron and steel products. The Government meant this action to be viewed as more than merely a protective device. In 1934 the British Iron and Steel Federation was formed, encouraged, as it were, by the Government's desire for stronger central organisation. The Import Duties Advisory Committee was instructed by the Government to moniter the Federation's progress, especially with regard to tariffs and changes in price.[2]

In 1939 this rather loose relationship between the Government and the industry was replaced by a more direct form of control suitable to

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1. See Kirby, p.33 on policy considerations behind the abandonment of the gold standard in March of 1919.

2. Iron and Steel Board, The Iron and Steel Board What It Is And What It Does, (Rochester, Staples Printers Limited, undated but most probably 1 June 1960), pp.5-6.

a war economy. The Iron and Steel Control[1] of the Ministry of Supply regulated the industry and the Ministry of Supply itself fixed the maximum iron and steel prices. The Iron and Steel Control was dissolved following the conclusion of the war but the Ministry of Supply continued to set the iron and steel prices.[2]

The first Iron and Steel Board was set up by the Government pending the preparations for the nationalisation of the industry. The duties of the first Board included supervising the development and modernisation of the industry, and, if necessary, controlling production, distribution and prices. The Board's members consisted of representatives from the steel producers, consumers and the trade unions; the Board still remained under the authority of the Ministry of Supply. Unlike the Iron and Steel Board of 1953 the 1946 Board was not a statutory authority and had only delegated powers. The 1946 Board was not even expected to interact with the Government regarding the plans for public ownership, and on 31 March 1949 the first Iron and Steel Board ceased to exist. In November of 1949 the nationalisation act became law and came into effect in February 1951. The shares of the existing producing companies were vested in the newly formed Iron and Steel Corporation of Great Britain, which was to manage the nationalised companies in the public interest.[3]

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1. The Iron and Steel Control was infamous, even among the other Government departments, for never being able to translate 'legal jargon' on its intentions of control into language understandable by mere mortals. Its most delightful faux pas was an Order immortalised in 'Punch' which read, 'No person shall treat, use or consume any tramway rail', which appeared under the heading 'Austerity'. British Scrap Federation Jubilee Issue , pp.10-11.
2. The Iron and Steel Board What It Is And What It Does, p.6.
3. Ibid.

The Iron and Steel Act of 1953 changed the structure of the management again : the Iron and Steel Act of 1949 was repealed, the Iron and Steel Corporation of Great Britain dissolved, the Iron and Steel Holding and Realisation Agency established for the purpose of returning to private ownership the nationalised companies, and, most notably, the appointment of a new Iron and Steel Board which was to 'exercise a general supervision over the iron and steel industry ... with a view of promoting the efficient, economic, and adequate supply under competitive conditions of iron and steel products'. Thus, although the industry was technically de-nationalised in 1953, the second Iron and Steel Board, which was created at the same time, was allocated more powers than the first Board. It was charged with the review of the productive capacity of iron and steel producers, the prices charged for iron and steel products, the supply and distribution of raw materials and fuel, and arrangements for promoting, research, training and education and the safety, health and welfare of employees in the industry, and for joint consultation.[1]

When the Labour Party came into power in 1945 it was not ready immediately to nationalise the iron and steel industry. Rather it requested that the British Iron and Steel Federation complete its post-war reconstruction plan, which was based on information sent to them by the various companies, such as Colvilles, regarding matters concerning

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1. Ibid., p.7.

post-war expenditure and projected production levels.[1] When the war-time Steel Control was discontinued in 1946 the Iron and Steel Board was set up more in the capacity of a holding company than as the controllers of a nationalised industry. The Government and the Labour Party were even less united on the issue of nationalisation following the 1945 election, and when trade union representatives were included as members of the first Iron and Steel Board the union no longer advocated more radical measures, such as nationalisation of the industry, so strongly. There had never been the widespread desire for nationalisation of the iron and steel industry among the steelworkers or the trade unions, as there was in the coal-mining industry.

Why then was iron and steel nationalised? It was, of course, a 'basic' industry, highly regulated even before the war, as was the coal industry. Thus, a very real argument was that the industry was nationalised, to a not inconsiderable extent, because of the momentum to nationalise all 'basic' industries. In addition, the nationalisers had strong leadership from Mr. Aneurin Bevan and very solid support from Sir Stafford Cripps and Mr. Ernest Bevin which enabled the bill to become an Act in November 1949. But already by 1949 the Government was losing support and, hence, afraid it could not find enough people to

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1. This development plan was one of the first achievements of the post-war industry. It was presented to the Government as the British Iron and Steel Federation Report to the Ministry of Supply on the Iron and Steel Industry and was published in May of 1946 as Reports by the British Iron and Steel Federation and the Joint Council to the Ministry of Supply, (London, H.M.S.O., Cmd. 6811, May 1946). See also, First Report of the Committee on Industrial Productivity, (London, H.M.S.O., Cmd. 7665, April 1949), p.21, para. 72-74 on post-war British steel requirements.

run the nationalised iron and steel industry effectively, it delayed bringing the Act into force until 1951. Although the industry was de-nationalised in 1953 by a Conservative Government, this does not begin to explain why the Iron and Steel Board was dissolved. If every other industry nationalised under the Labour Governments had been de-nationalised by Churchill's new Government, then a case might have been made for a Tory belief in free enterprise without Government intervention. This, of course, proved not to be the case. The first Iron and Steel Board (1946) was dissolved because it had no statutory - only delegated - powers. But even though the first Board was effectively a failure in terms of management, this does not explain why the concept of nationalisation itself was discarded. There were no dramatic changes in the industry during the two years of nationalisation, 1951-1953, from the policies pursued 1946-1951 by the first Iron and Steel Board. One possible answer to this question is that nationalisation became increasingly less necessary. The second Iron and Steel Board (1953) had much more real power than the first, even though the industry was no longer, technically speaking, nationalised. Also the individual steel companies, i.e. Colvilles, kept an extremely close command of their own interests. Thus, nationalisation was not considered a requisite control for iron and steel by either the Government or the industry.

At the opposite extreme, coal had been duly nationalised on 1 January 1947, Vesting Day. Pamphlets were handed out to the miners who, almost to a man, enthusiastically greeted nationalism as the dawning of a 'new age'. Although the National Coal Board was never able to fulfill all the miners' demands or their own target goals for production, there was never any serious discussion of de-nationalising

the industry. In addition, the railroads, aeroplanes, electricity, and gas industries had all been duly nationalised between 1946-1949. Shipbuilding, on the other hand, had fought nationalisation through the auspices of the Shipbuilding Conference until 1977. The shipbuilding industry, dominated by several family-controlled private limited companies in close contact with the Government by means of the Shipbuilding Conference, was able to effectively fight nationalisation and retain private ownership far beyond the post-war years. There was a similar power structure in the Scottish iron and steel industry, with Colvilles Ltd. and its subsidiaries dominating the industry. These forms of direct private control of a specific industry, closely monitered by the Government in the form of post-war rationing, etc., were considered acceptable to the Government in this era of centralised control of industry.

4. Shipbuilding

(i) Shipbuilding Following the Second World War

The post-war years were a sellers market for both British and Scottish shipbuilders. War had solved the inter-war problem of too little demand and surplus capacity. Not only had the outcome of the war been favourable for Britain but it eliminated for the time being two of its rivals in the shipbuilding trade, Germany and Japan. The temporary American demand for coal and the expanding world demand for oil transport both contributed to the British shipping market. Order books were filled, not only with replacements of war losses, but also there was a sustained demand for new tonnage as the world commodity trade began to recover and expand rapidly after 1947.[1]

In December 1948 almost complete freedom was restored to the shipping industry after nearly nine years of Government control. By 1948 U.K. merchant shipowners had built up their fleet in the aggregate to within about 1 million tons gross of the total of 17,377,000 tons registered at the outbreak of war in 1939. But not all the tonnage was yet effective, for close on 3 million tons were still undergoing repair

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1. Anthony Slaven, 'Growth and Stagnation in British/Scottish Shipbuilding 1913-1917', in Scottish and Scandanavian Shipbuilding Seminar, Development Problems in Historical Perspective, (Glasgow, University of Glasgow, 21-23 September 1980), p.27. There was no apparent sign in the early 1950's of the 'Japanese menace' to the world shipbuilding structure. No one could have predicted in 1950 when Japan had an infinitesimal percentage of the world shipbuilding market that in 1963 Japan would hold half the world orders. Not only was there no threat from Japan in the post-war years but there was also no competition from Germany as its shipyards were almost all inoperable or limited, either physically or legally, in capacity.

or conversion.[1] Replacement was the most pronounced in cargo liner and tanker tonnage - the tanker fleet in 1949 exceeded that of 1939. The rising cost of both replacement and operation was a cause of much concern in the industry, especially with regard to the latter, the slow turn around of shipping in the ports of the world.[2] Port congestion slowed turn around times briefly following the war and reduced the carrying efficiency of the dry cargo fleet by 20 per cent from its 1938 level. This had the effect of adding 9 million gross registered tons (g.r.t.) to new world orders as British shipbuilders attempted to deal with this backlog.

Britain's pre-First World War share of 60 per cent of the world shipbuilding was nearly halved by the end of the 1930's, this figure was almost completely regained for a brief period in the late 1940's.[3] In 1946-1948 Britain built and launched 50 per cent of the world tonnage of merchant vessels. The post-war years were a time of full order books for the shipping industry and regular work for the men employed in the British shipyards. Unemployment in the shipbuilding industry never exceeded 7 per cent.[4] But although British shipping was in a particularly favourable position, its production record indicated a clear failure to capitalise on renewed dominance. In the first five post-war years, 1945-1950, Britain built and launched 6.07 million g.r.t. of merchant ships; 31 per cent of this was for export and this totalled

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1. 'Freedom Restored to British Shipping : Industry's Problem of Rising Costs', G.H.T.R., 1949, p.21.
2. Ibid.
3. Slaven, Shipbuilding Seminar, p.18.
4. Leser, p.120.

half of all the world orders, of which the Scottish share was approximately 15 per cent. However, in the next five years, 1951-1955, total British output grew only by 12.5 per cent to 6.8 million g.r.t. for these years, while total world production grew by 80 per cent over the first five year period. Britain's share of shipbuilding output declined to 28.7 per cent. The decline could be marked in other ways as well, by 1954 Germany had displaced the United Kingdom from her position as the major shipbuilder for foreign markets. Two years later, in 1956, Japan launched more tonnage than Britain and by 1958 Britain was clearly in third place. This downward progression in the world market was ironically parallelled by Britain's best output since before the First World War. Britain, the world leader in shipbuilding output until the mid-1950's, alone of all the major shipbuilding nations failed to increase its output above the 1920 figure.[1] This accounts for phrases like 'declining staple' and 'old basic' industry being used to describe shipbuilding as early as the inter-war years.

(ii) Scottish Shipbuilding Industry

Scottish shipbuilders thus produced in the post-war years one-seventh of the tonnage of sea-going ships built throughout the world.[2] The output of new ships from the Scottish yards in a normal post-war year (1948) was valued at £45 million, of which £12 million[3] was for export. Thus shipbuilding was not only one of Scotland's primary industries in terms of employment capacity and productivity but was also extremely important in terms of foreign markets and exports, unlike the

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1. Slaven, Shipbuilding Seminar, p.27.
2. Oakley, p.52.
3. Leser, p.120.

coal industry which operated primarily for domestic consumption.

There was little change in the structure of the Scottish industry following the war, the West of Scotland retained roughly 30 per cent of U.K. capacity. Amalgamations were almost completely absent; in Scotland the only merger was the linkage of the Burntisland Shipbuilding Company with the yards of Alex Hall and Company and Hall Russell and Company in 1951. Thus ownership remained in the traditional pattern, with family controlled private limited companies as the most common type.[1]

The Scottish shipbuilding industry was located on two rivers and two estuaries, the more famous of the two rivers, the Clyde, was a minor stream that had been progressively deepened to meet the demand for larger and still larger ships. Although the main centre of the industry was on the Clyde, one-seventh of the Scottish output, excluding the work done at the Rosyth naval dockyard, came from other areas, including Aberdeen, Dundee, Leith, Burntisland and Ardrossan.[2]

Not only shipbuilding but also boat-building, referring to smaller craft, was to be found in Scotland. There were over sixty boat-building yards throughout Scotland. These yards were much more widely dispersed than that of the shipbuilding industry which was centred in the West Coast of Scotland. Boat-building yards were to be found in Orkney and Shetland, down the west coast to the Solway Firth, and all down the east coast to Tweed. The West was principally associated with yachts and lifeboats, while the East specialised in fishing craft. Aside from

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1. Slaven, Shipbuilding Seminar, p.29.
2. Oakley, p.52.

producing finished ships and boats Scotland was also involved with marine engineering by the production of boilers, steam generators, steam valves, nautical equipment of almost infinite variety, steering gear, and other marine auxiliary machinery. The phrase 'Clyde-built' on this equipment was accepted as a hall-mark of excellency and much of these were exported to shipyards outside of Scotland, especially to the rest of Britain and the Commonwealth.[1]

The heavy engineering trade in Scotland was dominated by ship-building which, with the inclusion of all the ancillary industries on which it drew, had an output larger than coal-mining and much greater than that of the manufacturing trades. Even the steel industry, which ranked second in the heavy engineering trades, came within the sphere of shipbuilding as a supplier of plates and as a source of material both for the engines, boilers, pumps, deck-gear, and fittings and also for the derricks, steel-tubing, etc., used by the shipyards themselves.[2]

(iii) Production, Design and Costs of Ships

Scottish production retained its one-third of the United Kingdom output following the war. Gross tonnage under construction more than doubled as contrasted with the inter-war years.

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1. Ibid., pp.58, 60, 61, 64 and 67.
2. Leser, p.120.

Table 1 - Merchant Vessels under Construction in Scottish Yards

	Clyde			East Coast		
Year	Number	Gross tonnage	% U.K. total	Number	Gross tonnage	% U.K. total
1938	72	337,000	43.2	23	46,000	5.9
1946	143	622,000	32.1	37	87,000	4.5
1947	142	730,000	33.6	42	91,000	4.2
1948	141	699,000	33.0	44	97,000	4.6
1949	119	692,000	34.7	44	93,000	4.7
1950	104	694,000	34.0	35	83,000	4.1
1951	117	785,000	35.5	37	82,000	3.9

Source: S.E.C.S., 1948, p.12; 1950, p.11; 1952, p.15.

Shipbuilding was particularly vulnerable to industrial fluctuations as it was dependent on the demand for investment and not consumption and was also dependent on the demand of a few customers including quite often the public sector. This type of market situation catered to individual buyer's wants and shipbuilders became highly specialist producers with numerous ancillary industries necessary for ship construction. Because of this highly integrated structure of heavy industries and the related trades the 1930's disaster was not confined to shipbuilding but spread through the steel and engineering industries to coal-mining on one hand and to the finishing trades on the other.[1] In 1932-1933 some 63 per cent of the Scottish shipbuilding workforce was idle. In contrast the post-war years had relatively full employment,

1. Campbell, p.61.

indeed there were shortages of many grades of labourers, especially welders.[1]

There were no great ocean-liners built on the Clyde in the years immediately following the Second World War such as the Queen Mary finished in 1934 and the Queen Elizabeth ordered in 1936. This type of passenger-ship orders in the mid-1930's helped pull the Clyde out of the depression it had suffered in the early part of that decade.[2] But the Scottish shipbuilding industry was now dominated by tanker orders. Following the war 55 per cent of the tonnage in Scotland on the berth or fitting-out was tanker tonnage and of the foreign orders the proportion was nearly 70 per cent. Many Scottish yards had never built or were not designed or equipped to build tankers, although the majority began to do so following the war for the first time. This boom disadvantaged the builders of small craft, coaster, colliers, and specialised river and estuary vessels. Also tankers provided less work for the finishing trades, which were so important to the passenger vessels.[3]

The passenger ships which were built following the war, most of which were ordered by Australia and South Africa, were both larger and faster than the average pre-war models. This was an attempt by ship-owners to offset increased operating and buildings costs by maintaining

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1. James McGoldrick, Industrial Relations and the Division of Labour in the British Shipbuilding Industry : 1945-1956 Formality vs Informality, (unpublished paper, School of Applied Social Studies, Hull College of Higher Education, October 1981), p.2.
2. Slaven, The Development of the West of Scotland, p.188.
3. Charles Connel, President, Clyde Shipbuilders Association, 'Declining Shipbuilding Order-Books', G.H.T.R., 1950, p.19.

the same frequency of service and volume of traffic with a smaller number of ships. Ocean-going passenger-cargo and cargo ships showed the same tendencies. The basic design characteristics of dimensions and speed altered in every ship type.[1] Cargo liners of 450 feet and upwards were built and almost all cargo ships were two knots faster than their pre-war counterparts. Tramps (cargo boats with no fixed routes) had a speed of 12 knots instead of the previous 10 knots, and cargo liners generally of 15 knots or more.[2] Higher propelling power was achieved by the switch to the motor vessel over other forms, this was aided by the ability to apply the diesel in its new supercharged form to large vessels previously the preserve of the turbine.[3] Other changes in ship structure included a rise in accommodation standards for both passengers and crews.[4]

Practical ship design was guided by the Government and Classification Society rules and regulations, the rulings of the British classification societies became both more strict and more binding following the war. The Convention adopted by the 1949 International Conference on Safety of Life at Sea came into operation in 1951.[5] Its requirements, especially those concerning precautions against fire and damaged conditions, changed the design of most passenger and merchant ships.

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1. A. Silverleaf, 'Ship Design, Ship Structure Trends : Cumulative Effect of Small Changes', G.H.T.R., 1949, p.33.
2. Ibid.
3. Slaven, Shipbuilding Seminar, p.28.
4. Silverleaf, p.33.
5. Ibid.

Welding made very slow progress in Scottish yards until the mid-1950's, before then it was only readily accepted in yards accustomed to naval work because the Admiralty actively encouraged welding. Lloyds, the main British classification agency, did not accept welding and established clear rules for quality control and special metal usage until 1955. Outside Britain foreign shipbuilders were much more responsive to new welding procedures. In 1949 25 per cent of the world shipbuilding output was electrically welded, but the United States contributed 78.8 per cent and Sweden 17.6 per cent of the total.[1]

Undoubtedly the fact that Scotland recovered so well from the war and went into the post-war years with full order books was in some part responsible for Scotland's lack of enthusiasm for new market

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1. Slaven, Shipbuilding Seminar, p.27. Arc welding was developed as early as 1885, in which welds successfully used bare metal electrodes. This procedure developed slowly as the bare metal electrodes proved brittle. Major advances in coating the electrodes were made in the 1940's and this procedure of coated electrode welding was dominant until mig welding (GMAW) was developed in the later post-war years, in this procedure an arc was struck between a consumable wire and the work. Electric welding became dominant following the Second World War and soon comprised many various forms including submerged arc and electroslag welding, and tig welding (gas tungsten arc welding, GTAW). Oxy-acetylene welding, which predominated before the war, remained useful especially in the cutting and production of steel. See The Oxy-Acetylene Handbook A Manual on Oxy-Acetylene Welding and Cutting Procedures, (New York, Union Carbide Corporation, 1976), pp.2, 3 and 4. The oxy-acetylene cutting procedure, as opposed to the cutting of steel by hand with hammer and set or chisel, had itself only gradually become widespread between the wars. 'Basic Raw Materials', British Scrap Association Jubilee Issue 1969, p.18. See also, McGoldrick, pp.5-9, on the increase of use of welding, the change in the division of labour caused by the growth in number of welders, and the participation of the welders in the sectionalism of the steel working trades through demarcation issues - even though they all belonged to the same union, the Boilermakers.

trends, technical change and organisational development. Mig welding (GMAW) was developed during these years and eventually electric welding was accepted by Scottish shipbuilders as favourable to rivetting. Prefabrication was a related development to welding. Prefabrication assembly shops were being installed in the early 1950's, but the disruption of building these shops to the shipyards in an era of full order books clearly served to slow down change. Slaven concludes that prosperity was thus a mixed blessing for the post-war Scottish shipbuilding industry.[1] Substantial investment could have been afforded, paid for out of earnings with resort to the stock exchange, but the security of full order books and the pressure of work inhibited widespread and constructive innovation.

Although there were contracts in abundance for Scottish shipbuilders on the Clyde, its eventual decline in the yearly proportion of the world market could be traced to some extent to the scarcity of steel and other raw materials. Inquiries by 1949 for the passenger liner, the cargo liner, and the tramp had disappeared and, in view of shipowners' assertion, were not expected to flow again until fixed prices could be quoted and the date of delivery guaranteed. Shipbuilders were anxious to accommodate the shipowners, but could not get fixed prices themselves for steel, electrical equipment, machinery and other items which they had to buy outside.[2] This caused a disproportionate cost rise in the prices of the ships themselves, tending to make them more prohibitive.

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1. Slaven, Shipbuilding Seminar, p.29.
2. 'Liner Reconversion Programme Past Peak : Rising Trend of Ship-Repairing Costs', G.H.T.R., 1949, p.79.

Even though the shipbuilding industry itself was not nationalised during these years, it experienced high costs which resulted from the nationalisation of other industries. Shipbuilders had some degree of control in the efficiency of yard planning, lay-out, handling of materials, mechanisation, pre-assembly and other factors within the shipyards but the costs of coal, electricity, gas, and transport rose under nationalisation and increased the costs of steel, the numerous materials and components of ships and thus shipbuilding itself. Delivery dates were lengthened not only because of shortages of raw materials and components but also because of the longer waiting period for new machinery to be both manufactured and then delivered.[1] The most persistent complaint was the limiting of output because of the rationing of steel. This was an acute problem in terms of both amount and regularity until 1953 and to some extent as late as 1958. The Government gave priority to other industries which it felt had greater export potential, such as automobiles and aircraft component supplies, and in particular electrical goods.

The repairing of ships was an integral part of the shipbuilding industry. This aspect was also plagued by rising costs. This is important to note as during these years approximately 3,500,000 tons gross of shipping was immobilised and tied up in the British shipbuilding rivers to await reconditioning, overhaul or repair.[2] The shipbreaking industry was another facet of this issue, for during the late 1940's there was a high demand for scrap so that the steel plants could produce a record number of ingot steel. Scotland was at this

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1. Ibid.
2. G.H.T.R., 1949, p.79.

point responsible for more than two-thirds of the output of the United Kingdom, and more than half of Western Europe as a whole. During these years the shipyards of France, Belgium, Holland and Scandanavia were finishing reconstruction and were beginning to lay claims to their rights in the ship construction field, as an essential part of the re-establishment of their respective economies.

(iv) Industrial Relations

The disappointing performance of the Scottish shipbuilding industry in the post-war years has always been associated in the popular mind with bad labour relations, especially with endless 'demarcation' disputes - it scarcely appeared efficient to build a ship by use of twenty-three different trades. McGoldrick denies that problems of demarcation were alone sufficient to explain the undeniably serious problems of bad industrial relations in the post-war period as a whole. Indeed, strikes were unusual before 1949, and not of great significance to 1951.[1] Another popular misconception was that the division of labour within the shipbuilding industry remained unchanged throughout the entire first half of this century. McGoldrick notes that major technical innovations did take place during these years and that they reinforced older problems such as straightforward wage disputes, apprenticeship disputes and shortages of certain types of skilled workers (welders in general but also platers and shipwrights), as well as creating new problems such as manning levels and dilutions.[2]

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1. McGoldrick, pp.10, 13 and 19.
2. Ibid., pp.13 and 15-18. See also, Charles Woolfson, Solidarity and Sectionalism : Class and craft identities among shipyard workers on the Upper Clyde, (Paper presented at the Shipbuilding History Seminar, University of Gothenberg, 27-29 November 1981).

In 1936 the shipbuilding unions became for the first time part of a general federation which included all the major trade organisations. This federation - along with the important national role the trade unions played during the Second World War - created the conditions under which, after 1945, major issues could be negotiated at a national level between the employers and the workforce as a whole. Nevertheless, this did not replace - or weaken - the traditional bargaining procedures.

Although there were formal procedures for negotiations between the Confederation of Shipbuilding and Engineering Unions (CSEU) and the Shipbuilding Employers Federation (SEF)(a procedure which took specific issues involving any given union from yard conference to local and then to national conference level), the CSEU did not include the two biggest unions - the Boilermakers Society and the Engineering Union. McGoldrick argues then that the position with regard to bargaining had to be an informal one, even though both unions would - when it suited their interests - operate through the disputes procedure. Hence, this 'informality' in the bargaining structure was one of the major industrial relations problems.[1]

Throughout the late 1940's and early 1950's the CSEU made national claims for increased time rates, improved holidays and working conditions and a shorter working week without loss of pay - these were all rejected on the grounds that the industry could not afford them. Nevertheless, a report by the SEF in February 1954 by the Economist showed that the profitability of the major shipbuilding firms

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1. McGoldrick, pp.10-11.

was healthy - many companies were able to record gross profits of over one million pounds between 1948 and 1954. John Browns of Clydebank had a spectacular record of £2.9 million gross in 1949; £3.3 million in 1950; £1.97 million in 1951; £1.6 million in 1952; and £2.2 million in 1953. Hence, the refusal of the CSEU's claims on the basis that the industry could not afford them at that point in time was not valid. The future of the shipbuilding industry for Britain was not, however, secure, as indicated by the lack of demand for passenger ships; hence, the SEF would have covered themselves better by rejecting the CSEU's claims on the grounds that the level of future demand was uncertain - even though order books were full at the moment - and no concessions could be made at that point.[1]

One much publicised problem within the shipbuilding industry was that of manning levels and dilution brought on by new technology. Although welders, to use the best example, had no choice but to accept the new machinery that replaced 10 man squads in the early 1950's, they demanded that 2 qualified welders should man each machine. The employers somewhat justifiably countered that this was inefficient as the job could be done by a semi-skilled operative; they eventually modified this position to one welder and one apprentice or labourer. But this proposal was rejected by welders in both the local and national conferences and this issue was never settled on a uniform basis.[2]

The other principal manning issue was that of dilution - the question of whether platers or burners should man the new flame cutting and

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1. Ibid., pp.3-4.
2. Ibid., p.15.

burning machines. Although these disputes rarely went to strikes they regularly went through procedures to national conferences. Eventual settlement provided for joint manning of the machines by platers and burners. This problem was actually at its worst during the inter-war years. Although it remained very controversial throughout the post-war era, by this point, even though dilution agreements existed on paper, there was very little dilutee labour used in practice.[1]

Beginning in 1949 there was a multitude of small, local wage disputes involving almost all of the various shipbuilding trades; the conditions varied from yard to yard and district to district but the main wages issue was generally related to actual earnings. The only major incident of these years occurred in 1951 when the Boilermakers Union (which embraced all the steel-working trades of the shipbuilding industry) in the lower Clyde submitted claims for improved wages to the Clyde Shipbuilding Association (CSA) and backed them with threats of industrial action. Although the CSA would not deal with such 'unconstitutional' claims (i.e. claims backed up with blatant strike action), their position was undermined by the fact that many firms dealt directly with the Boilermakers individually. Thus the remaining firms felt obliged to make concessions they did not feel were justified on strict merits.[2] Nevertheless, the immediate post-war years were virtually free of strikes and industrial disputes were settled - at least until the mid-1950's - by negotiations either at formal or informal levels.

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1. Ibid., pp.15-16.
2. Ibid., p.14.

(v) Administration of the Industry

There were various national shipbuilding organisations operating during the post-war years. The Shipbuilding Conference served as the industry spokesman in the post-war years. It had been formed in 1928, originally to deal with all commercial questions of a general nature which were of interest to builders and repairers of all types of ships, with a particular interest in the prices of merchant ships. Membership only included 27 firms in 1928 but by the post-war years it virtually covered all British shipbuilders. The National Shipbuilders Securities Ltd. (1930-1958) was established by the Shipbuilding Conference to handle the issue of redundant berths by providing a means to purchase and sterilise redundant capacity. The National Shipbuilding Security Ltd. operated as a public limited company from 1930-1939 when it was converted to private limited status owned by the industry. The aim of both these bodies was to reduce capacity to a level approaching the anticipated amount of demand in the medium to long-term, to reduce cut-throat competition between the various shipbuilders and to establish prices at a profitable level. The Shipbuilding Corporation was created in 1942 to provide for the administration and management of the yards purchased and reopened for war-time work. The Corporation ceased to trade in June of 1947 but was retained as a live company owned by the Shipbuilders Conference. Other national shipbuilders associations were the Repairers Central Committee, whose functions were similar to those of the Shipbuilders Conference but confined to the commercial interests of ship repairers, and the Warshipbuilders Committee (1925), which was to deal with questions arising from the Admiralty or with warships in

general.[1]

Following the Second World War the liaison functions of the Shipbuilding Conference were greatly expanded. Links were made with other trade associations, particularly those representing the direct suppliers to the shipbuilding industry, e.g. the Iron and Steel Federation and the Timber Trades Federation. Contact was also maintained with the British Engineers' Association, the Electrical and Allied Manufacturers Association and the General Council of British Shipping which represented both the Chamber of Shipping and the Liverpool Steamship Owner Association. Links were also quickly re-established with the West European Shipbuilders, in what was at first designated as the West European Shipbuilders Informal Contract, and later as a member of the Association of West European Shipbuilders.[2]

The Conference maintained, in its capacity as the industry spokesman, very close contact with the Government departments and agencies. During the inter-war years contact with the Government was mainly through the auspices of the Mercantile Marine Department of the Board of Trade. Following the conclusion of the war the Admiralty replaced the Mercantile Marine Department as the sponsoring department for the shipbuilding industry. Contact was maintained as well with the Ministry of Transport, Board of Trade, Customs and Excise and others.[3]

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1. Slaven, p.23 and Anthony Slaven, 'Shipbuilding Industry Organizations and Policies 1920-1977', pp.305 and 306, in Shipbuilding Seminar.
2. Ibid., p.292.
3. Ibid.

In 1946 the Government appointed the Shipbuilding Advisory Committee to be the main liaison with the industry and to advise the Government on matters concerning shipbuilding. But this Committee, although it technically functioned until 1967, never had any real support from the industry because it did not like to share membership with representatives of the shipowners, trade unions and others.

The Shipbuilders Conference thus came to be regarded both by industry and the Government as the authoritative source on shipbuilding. Slaven suggested that the Conference could most appropriately have been described as a 'pressure group, acting to reinforce the industry case for the need for government action in particular directions'.[1] The industry was not slow to exploit its linkages to Government and provided a regular flow of selected data to emphasise the contribution made by the industry to the national economy.[2]

The policies of the Shipbuilders Conference are often cited as detrimental to the development of the shipbuilding industry. Yet Slaven distinguished between the concept of the Shipbuilding Conference as an administrative unit and as an industry policy machine. In the former capacity it dealt efficiently on many levels, but as an executive policy body it could not make or implement policies contrary or even independent of its members views. Deficiencies in policy or lack of a coherent policy altogether simply reflected the individual self interest of the member companies.[3] Within the Shipbuilders Conference

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1. Slaven, in Shipbuilding Seminar, pp.291-292.
2. Ibid., pp.291, 292 and 293.
3. Ibid., p.301.

there was a lack of will to implement any change until no possible alternative remained, the case of nationalisation of the industry, which was fought for so long (until 1977), was the prime example of this attitude.

This was an era of full order books and a time remarkably free of the major industrial unrest that has so often marked this industry. Nevertheless, it is dangerous to look at these years out of their wider context : British shipbuilding was on the decline in terms of world leadership even though production figures were rising. No one predicted that less than fifteen years after the conclusion of the Second World War Japan would lead the world in shipbuilding output and Britain would rank third. With hindsight it is easy to blame Scotland's full order books for lulling Scottish shipbuilders into a false sense of complacency during the post-war years.

5. Textiles

(i) Post-War Scottish Textile Industry

In the mid-nineteenth century the textile and allied trades provided employment for more people than all the other manufacturing trades put together. In the late 1940's this had been reversed and textiles had been outstripped by the metal and engineering industries, but textiles still accounted for one-fifth of the total employment in manufacturing, both in Scotland and Great Britain as a whole, and for about one-twelfth of the total working population. The textile industry was particularly significant as an employer of women. Of all the women employed in post-war Scotland more than one in seven was working in the textile trades, and out of the 250,000 women employed in the factory trades in Scotland approximately 110,000 were textile workers. This was a larger proportion than in England, where the engineering trades offered greater employment opportunities to women; this was partially due to different types of work available in England. In 1950 164,600 persons were working in the textile trades in Scotland, this represented 9.5% of the corresponding British total, not far from the proportion (10.1%) which Scottish employment in all industries and services bore to the British total.[1]

The two textile trades most strongly represented in Scotland were the linen and the jute trades, in both of which Scotland had the major share of production in Britain - although for the linen industry this would not have been true if Northern Ireland was included. The largest

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1. Leser, pp.124-125.

sector in Scotland of the hosiery industry was highly specialised, viz. the production of woollen goods like pullovers and cardigans, of which this sector had an extremely high proportion of the total British production. Yet, on the other hand, the manufacture of such staple goods as socks, stockings, and underwear was almost entirely concentrated in England. Many textile trades were very poorly represented, e.g. cotton weaving, the rayon and silk trades and dressmaking. The specialisation of the Scottish cotton industry on sewing cotton accounted for the comparative deficiency in the weaving sector of the industry, which was very small.[1] The Scottish cotton industry also produced furnishing fabrics, and in the post-war years many newcomers to this industry were added. Various ancillary industries such as bleaching, dyeing, finishing and printing contributed to the cotton trade, and such diverse commodities as needlework fabrics, cotton canvases and fishing nets were produced.[2] The coming of man-made fibres created jobs in many different capacities. A new British product, based on I.C.I. research at Ardeer, made textile fibres out of the protein left in the residue after the arachis oil was extracted from groundnuts. In 1951 production began at a factory in Dumfries, built to supply 10,000 tons of this 'Ardil' a year. The fibreglass industry produced a wide range of fibrous glass products. The main British plant for making glass yarn and tapes was situated in Glasgow and employed several hundred persons. The production of rayon in Scotland was only represented by one firm, North British Rayon at Jedburgh, but it was notable as the largest employer of labour in the Eastern Borders.[3] Hence, the fact

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1. Ibid., p.125.
2. Oakley, pp.20 and 21.
3. Ibid., pp.41 and 42.

that the Scottish silk and rayon industries were much smaller than those of England and Wales was indicative of the virtual absence of the newer industries in Scotland. Nevertheless, the statement that Scotland had specialised on stagnating rather than on expanding trades was generally less true for the textile than the metal trades, for instance the carpet industry in Scotland had excellent expansion prospects in the post-war years.[1]

There was not the same tendency for the textile trades as for metals and engineering to be concentrated in one place as there was generally little interrelation between the various trades, the exception was the textile finishing trades which tended to be located near the main cotton and jute manufacturing areas. There were various centres for the different textile trades : Paisley for cotton, Hawick for wool and hosiery, Kirkcaldy and Dunfermline for linen, Dundee for jute, the Newmilns area in Ayr for the small lace trade, Glasgow and Kilmarnock for carpets, etc. Some of these industries like jute and lace were almost entirely concentrated in one single district, but others were more widely spread over the country. For example, the woollen trade was found not only in the Borders, but also in Alloa, Aberdeen, Lewis and other areas; similarly the linen industry was located not only in Fife but also in Dundee, Aberdeen, Greenock and elsewhere.[2] The clothing trades were generally small and widely dispersed throughout Scotland, although the tailoring trade to a large extent was concentrated in Glasgow. The remainder of this section concentrates on the jute trade, both because of the difficulty of finding

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1. Leser, p.125. See also Oakley, pp.1-40.
2. Oakley, pp.1, 2 and 4.

comprehensive data on the woollen industry for these years and because of the great sectoral importance of jute in the Dundee area.

(ii) Jute

Although the depression of the 1920's and 1930's had greatly reduced its importance relative to the pre-war era, the Dundee jute industry in the post-war years was quite complex. Consuming industries used jute products in varying forms, principally yarn, cloth and bags but these were required in an infinite variety of counts and qualities of yarn, of widths and makes of cloths, and of sizes and types of bags.[1] The jute industry derived its markets largely from within the United Kingdom but the export market, both direct and indirect, was a matter of prime importance.

The Second World War had a preculiar effect on the trade. Although this industry was strategically important it was not at first covered under the Essential Work Order, with the result that thousands of operatives were called up into the services. Also, on the manufacturing side, two concentrations took place in Dundee in 1942 because of the demand for factory space for war-time purposes. These developments brought the number of workers down to 15,577 and the conversion of more jute factories to other war work further depleted the labour force till

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1. Oakley, p.8. See T. Woodhouse and P. Kilgour, The Jute Industry From Seed to Finished Cloth, (London, Sir Isaac Pitman and Sons, Ltd., 1921); Survey of United Kingdom Jute Industry, (1952 reprint in booklet form, endorsed by James Stuart, Secretary of State for Scotland, of a series of articles in the 1952 The Times Weekly Review), p.3; William M. Walker, Juteopolis Dundee and its textile workers 1885-1923, (Edinburgh, Scottish Academic Press, 1979), pp.529-530.

it reached rock bottom in 1945 at 10,773, or less than 50% of the 1939 figure.[1] This shrinkage in the labour force had a serious effect on the industry when the war ended and there was an immediate demand for all kinds of jute goods. It took several vital years for the concentrated factories to be reconverted to their original use and it was 1948 before all of them were back to reasonable production levels.[2]

After the war a complete reversal of pre-war labour conditions ruled in this industry. Along with the deconcentration of factory space there was a scramble for all available labour, especially with so many former jute workers no longer living in the city. Recruitment was very difficult as practically all the works in the city were understaffed. The following figures show the slow progress of recruitment into the jute industry in the immediate post-war years.[3]

1945	10,773
1946	13,224
1947	13,907
1948	13,320
1949	12,510
1950	13,158
1951	13,911

The slight drop in the figures for the labour force in the years 1948 and 1949 was created by a measure of unemployment in the industry through a shortage of raw jute supplies from Pakistan as well as the drift of workers to the industrial estate.

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1. Survey of United Kingdom Jute Industry, p.24.
2. Ibid.
3. Ibid., p.4.

The problem of recruitment following the war was complicated by the fact that Dundee was classified as a Development Area and under the Distribution of Industries Act (1945), the Board of Trade established an industrial estate on the outskirts of the city and encouraged new business to settle there. From 1945-1951 these new industries absorbed 5,000 workers, many of whom were female operatives on whose services the jute industry had previously depended for the major source of its labour force. The leaders of the jute trade ostensibly welcomed new industry as it would help the city's economy and indirectly the jute trade but they argued that insufficient regard was paid by the Government to Dundee's established industries, namely jute. After continued representation it was decided not to settle any additional firms in the Dundee area.[1] Although the Board of Trade (the controlling agency of the Scottish Industrial Estates, Ltd.) recognised that the leaders of the jute industry were showing undisguised self-interest in not wanting any competition from new industries that would tempt their workers away with promises of higher wages and better working conditions - it also argued objectively that Dundee was becoming saturated by too many firms chasing too few workers. Thus it was for this reason, and not to perpetuate the declining jute trade, that the Board of Trade decided not to settle any more firms in this area.[2]

It was just as the jute industry was beginning to recover that another blow fell. The partition of India in 1947 created a shortage of jute and jute cloth. This in turn caused working hours to be shortened for Dundee jute workers and in some cases redundancies. Two-thirds

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1. Ibid.
2. See pp.292-294 on the Scottish Industrial Estates Ltd.

of all the raw producing areas were in East Pakistan, which had only one inadequate port, Chittagong, only tolerable railway service and no jute mills or factories. India had vast jute works and excellent port facilities in Calcutta, but was left with only one-third of the rich jute growing area of Bengal. This incongruous situation was further complicated by a dispute between the two countries over the question of the devaluation of the rupee which was not settled until 1951. As a result of these disputes considerable difficulty was experienced in the supply of raw jute and Calcutta cloth causing a packaging crisis in the United Kingdom and a large amount of insecurity in the world jute trade. The signing of the Indo-Pakistan trade pact was to help India endeavour to grow more jute and Pakistan to both begin to build more jute mills and factories and also to improve the port at Chittagong and port facilities at Chalna.[1]

The jute industry was subject to government regulations through the operation of the Jute Control Office in Dundee. The Control was established in September of 1939 at the outbreak of the war. It was originally responsible to the Raw Materials Department of Supply, later to the Raw Materials Department of the Board of Trade and then to the Ministry of Materials. In 1941 to meet the demands of the service departments the Control became the sole importer of jute although it dealt through the normal trade supply channels for both raw jute and

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1. Ibid., pp.4-5. See also pp.32-33 on the Influence of Partition. Also of interest is Naruli Peera, The Price Incompetitiveness of India's Jute Manufacture Exports, (University of Salford, Department of Economics, Salford Papers in Economics), pp.1-2. According to Peera the post-war international market for jute manufactures was quasi-monopolistic : in 1950 India supplied almost nine-tenths of the total world exports of jute export, but one decade later East Pakistan had captured a significant share of the market.

jute goods. In 1945 war certificates, which had been required by the Government each time the industry needed new supplies of jute, were abolished and consumers were able to deal direct with the trade as in the pre-war years. Yet the Jute Control was retained, its main function in the post-war years was price control which was achieved by the setting of maximum selling prices for yarn and cloth.[1]

The Jute Trade Federal Council was formed in May of 1947, its membership comprised the various sectional interests of the jute industry. Until the outbreak of the Second World War the jute trade had been highly sectionalised between importers, spinners, manufacturers, merchants, etc. During the war much of the reticence and secrecy was broken down and the benefits of some form of macro-planning began to be appreciated by all sections of the industry, the Jute Trade Federal Council being the result. The Council included representatives from the Association of Jute Spinners and Manufacturers, the United Kingdom Jute Goods Association, the Jute Sack and Bag Manufacturers' Association, Limited, the Dundee Jute and Linen Goods Merchants Association, and the London Jute Association.[2] This should have been a notable event in the history of the industry, because for the first time the jute industry could speak with both authority and a united voice, but the Council never achieved much of significance.

A serious programme of modernisation, which had been interrupted by the Second World War, was implemented by the jute trade following the war. From 1945-1951 about £4 million was spent on re-equipments without any Government assistance of any kind. The modernisation included

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1. Survey of United Kingdom Jute Industry, pp.29, 30 and 31.
2. Ibid., p.6.

installation of new machinery, widespread electrification, respacing of plant to provide more efficient lay-outs, and improved welfare facilities. New technology was introduced especially in the weaving side of the industry. These included the circular loom, which came from France, and the automatic cop-loading attachments for the ordinary flat loom, brought from Germany. The circular loom was considered revolutionary for these looms greatly increased output, as one worker could operate four machines which ran at 300 picks a minute as compared with the 70-150 picks of the flat loom which by itself took one worker to run.[1] This modern machinery not only increased output in the jute industry but also effected savings in labour and other costs.

Although the United States imported raw jute to spin into carpet yarn, it had no cloth manufacturing industry of its own. Nevertheless, it exercised a considerable influence on the world jute markets because it imported one-quarter of the world's output of all jute goods. Twenty-three per cent of all of India's jute exports went to America between 1949 and 1952. The world-wide hunt for dollars after the war was a major factor in the world jute trade, allocations of jute goods by India were given with much greater liberality to hard currency rather than soft currency countries. Thus the world's only alternative sources of supply were Britain and the Continent. But there was present such scarcity in Britain that to some extent Britain itself was forced to buy from the Continent. The European countries made large profits - French production reached record levels, Belgium, Italy, Czechoslovakia, Austria, Spain and Germany all shared in the profits. Britain was the

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1. Ibid., pp.6 and 16-22.

hardest hit in this regard for not only was it having to pay the Indian levy and buy to such extent from the Continent, but also its post-war modernisation programme had to be paid for by an industry strictly controlled by the Government with regards to price and profits.[1]

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1. Ibid., p.34. See also, Stuart McDowall, Paul Draper and Tony McGuinness, Protection, Technological Change and Trade Adjustment : The Case of Jute in Britain, (St. Andrews University, Department of Economics, Reprint Series No.14, reprinted from ODI Review 1 - 1976).

Chapter Six

New Industry and Regional Policy

1. New Towns

(i) Origin of New Towns Idea

Sidney Webb was quoted as saying that the normal lapse of time from the first promulgation of an important reform until the time of its general acceptance was eighteen years.[1] But, to cite the example of the British New Towns, it was forty-eight years from the first publication in 1898 of Sir Ebenezer Howard's book Tomorrow : A Peaceful Path to Real Reform[2] until the passage of the New Towns Act (1946).[3] Howard's book was a blend of 'benevolent idealism and basic common sense',[4] but whereas his suggested physical town lay-out was out-of-date by 1903 when the Garden City Association built its first town, Letchworth (in Hertfordshire, 35 miles north of London), the underlying principles in Howard's book remained the impetus of the Garden City Movement during the first two decades of this century. Garden Cities were officially defined by the Garden Cities and Town Planning Association as follows:

> A Garden City is a Town designed for healthy living and industry; of a size that makes possible a full measure of social life but not

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1. Frederic J. Osborn and Arnold Whittick, New Towns Their Origins, Achievements and Progress, (London, Leonard Hill, 1977), p.38.
2. Revised and re-issued in 1902 as Garden Cities of Tomorrow. The latest edition, with introductions by F. J. Osborn and Lewis Mumford, was published in 1965.
3. See, New Towns Act (1946) Reports of the East Kilbride and Glenrothes Development Corporations for the period ending 31st March, 1950, (Edinburgh, H.M.S.O., 14th December, 1950), and New Towns Act (1946) Reports of the Cumbernauld, East Kilbride and Glenrothes Development Corporations for the period ending 31st March, 1957, (Edinburgh, H.M.S.O., 31st July, 1957).
4. Osborn and Whittick, p.4.

> larger; surrounded by a rural belt; the whole of the land being in public ownership or held in trust for the community.[1]

Much of the success of the Garden City Movement, in terms of the good fortune of the two Garden Cities - Letchworth and Welwyn (1919), was due to the heavy streak of practicality in Howard's scheme, which envisioned a town fully adapted to the modern industrial system and the way of life it both required and made possible. On this crucial point Howard radically differed from earlier utopian planners, who had devised closed-communities both in terms of trade and agriculture and all forms of social inter-action.

Following the foundation of the first Garden City of Letchworth, the activities of the Garden City Movement were inextricably tied up with that of the town planning movement.[2] Hence, predictably, the first British town planning legislation was passed in 1909. Following the First World War the drive to build additional Garden Cities was checked by two factors : the development of the suburbs and the strength and popularity of the inter-war housing drive. In Scotland this was very strongly felt in and around the Edinburgh area.[3]

Although public opinion was not in favour of planned cities during the inter-war period, two influential committees strongly endorsed the Garden City principles during these years. The Chamberlain Committee

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1. Ibid. See also, Mark Swenarton, Homes Fit for Heroes The Politics and Architecture of Early State Housing in Britain, (London, Heineman Educational Books, 1981).
2. See, G. E. Cherry, The Evolution of British Town Planning, (London, Leonard Hill, 1974), on the overlapping interests of the Garden City Association and the town planning movement.
3. See, Douglas Niven, The Development of Housing in Scotland.

recommended the restriction of factory industry in London along with the movement of a substantial amount of the London industrial population to Garden Cities. Chamberlain in 1938, when he was Prime Minister, was instrumental in setting up the Barlow Commission. The Marley Commission (1935) again reiterated the Government's encouragement of New Towns. But it was the publication of the Barlow Report in 1940 which was the turning point in Government concern with urban development. This is interesting to note because the majority report of the Barlow Commission did not openly endorse planned Government control of the location of industry, although the Chairman himself was to become a member of the Garden City Association.[1] Thus, in effect, Barlow retrospectively endorsed the minority report of the Commission, which - among other things - advocated New Towns.

In 1943 Churchill mandated the creation of the Ministry of Town and Country Planning. During the 1940-1945 years there was much controversy regarding the creation of New Towns, as they were then being called - as opposed to Garden Cities. But, oddly enough, the issue of New Towns did not figure prominently in either of the Party programmes in the 1945 election.

(ii) New Towns after the War

The New Towns (Reith) Committee was appointed in October 1945 by the new Labour Government. The passage of the New Towns Act (1946), along with the Town and Country Planning Act of 1947 created a 'system of control and a machinery for positive town construction that was

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1. Osborn and Whittick, pp.38-39.

completely revolutionary'.[1] The New Towns Act (1946) followed the recommendations of the Reith Committee very closely. Each New Town was to be constructed by an ad hoc Development Corporation,[2] which in England and Wales was to be financed by the Ministry of Town and Country Planning (this law, in fact, changed the named to the Ministry of Housing and Local Government), and in Scotland by the Secretary of State for Scotland. Based on Ministry approval each ad hoc development committee was empowered to 'acquire sites sufficient for complete towns, to undertake all the necessary kinds of development, including the provision of houses and factories, commercial buildings and public services, to appoint and employ full-time officers and construction workers'.[3] Although the Development Corporations had powers beyond that of a normal landlord, it was not to replace local authority government. The site of each town was to be made a separate county district with councillors elected in the normal way. Therefore, the New Towns were not to be solely residential or dormitory areas for the nearby conurbation. They were, in fact, to be self-contained towns - quite distinct from suburbs.

(iii) Aims of New Towns

Despite the foregoing, the primary aim of the English New Towns was housing : to provide an alternative to the slums for many inner-city residents. In Scotland it was different, the major aim of both

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1. Ibid., p.56.
2. See, Lloyd Rodwin, The British New Towns, (Cambridge, Massachusetts, 1956), on the Development Corporations and the Ministry of Housing and Local Government.
3. Osborn and Whittick, p.56.

East Kilbride and Glenrothes was jobs. Houses were not to be allocated in either of these New Towns unless a worker already possessed a job in that town.[1] The difference in emphasis was to cause some problems while the Scottish New Towns were being created.

The planners of the New Towns also had many secondary goals in mind when formulating New Town policy (other than jobs and housing). They endeavoured to maximise the self-sufficiency of the community by the provision of various opportunities to increase the workers per-capita income. The New Towns were to attract low income workers by the provision of a good environment, both social and physical. Continual improvement of the financial standing of each New Town and its surrounding area was to be achieved _via_ the stimulation of economic growth in the depressed and/or depopulated area surrounding the New Town.[2] The New Town designers hoped that the planned communities would also serve as catalysts of agrarian growth in the settlements encircling them, and would, in addition, function as regional growth centres, which would assist in the establishment of some sort of equilibrium between an industrialised New Town and its agrarian surroundings. Therefore, it was hoped that the New Towns would become

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1. McGuinness Interview. See also, H. R. Smith, 'The Dispersal of Population from Congested Urban Centres in Scotland', _Public Administration_, 34 (1956), pp.129-130.

2. East Kilbride, Cumbernauld, and Irving counted as New Towns constructed in Depressed Areas. On the other hand, Glenrothes was a new community built in a relatively sparsely populated region - Fife, hence the need for housing for miners moving to work in the expanding Fife coalfields. Livingston was built in 1966 to provide for overspill from the Edinburgh conurbation.

incorporated into the life of the surrounding area and, in time, become centres of regional influence.[1]

Notwithstanding the original intention of the Government to construct 20 New Towns in the immediate post-war years, only 14 were started in the years 1947-1950, 10 in England and Wales and 2 in Scotland - East Kilbride and Glenrothes. No more British New Towns were built until 1955, when Cumbernauld in Scotland near Glasgow was constructed. Then it was not until 1961 that the next 'generation' of 8 British New Towns were built including 2 in Scotland : Livingston (1962, in West Lothian near Edinburgh) and Irvine (1966, near Glasgow).[2] Almost all New Towns were built post-1951, so within this period it would be premature to expect them to prove themselves as a success or otherwise. Nevertheless, the 1945-1951 period is interesting because one New Town in Scotland was put well underway (East Kilbride) and another brought to a stage of advanced planning (Glenrothes).

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1. Gideon Golany, New Towns Planning : Principles and Practice, (New York, A Wiley Interscience Publication, 1976), p.124. See also, Ray Thomas, Aycliffe to Cumbernauld a study of seven new towns in their regions, (London, George Berridge, December 1969, Vol.XXXV, Broadsheet 516), p.924. In 1963 the Development Corporation of East Kilbride invited the Grants Committee to set up a new university in their town. Although there was considerable disappointment when the university went to Stirling, a short distance away, this incident showed how much progress had been made in East Kilbride since its initial construction in the late 1940's. In May 1963 East Kilbride became a small burgh and by 1967, by an Act of Parliament, had been raised to large burgh status.

   Another such incident, albeit a happier one than the university prospect in East Kilbride, occurred in 1974 when the Fife Regional Council located its regional headquarters at Glenrothes, automatically enhancing the status of the town. Osborn and Whittick, p.412.

2. Osborn and Whittick, p.15.

(iv) The Post-War Scottish New Towns

The Scottish New Towns of East Kilbride and Glenrothes differed from their English counterparts, in that their 'green belts' were owned by their respective development corporations. This demonstrated the difference between the amount of land generally available in England and Scotland, especially in regard to the Greater London and Glasgow regions. This also affected the administration of the New Towns : in South-East England there was close co-operation between the London County Council and the Development Corporations of the nearby New Towns, while in Scotland the New Towns were fully independent communities.

(a) East Kilbride

East Kilbride was specifically proposed in Abercrombie's 1946 Clyde Valley Plan, and officially designated as a New Town on the 6 May 1947. The population of the town at designation was 2,400.[1] The projected size of the town was to be 100,000, but by 1975 the planned size was lowered to 95,000 and the actual size was 70,000.[2] In Glasgow, as opposed to London, there was active opposition to the 'decanting' of much of their population, rather than the construction of new housing on undeveloped land within the Glasgow boundaries.[3] But

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1. The New Towns of Britain, (London, Central Office of Information Pamphlet 44, H.M.S.O., 1961), p.18.
2. Harvie, No Gods and Precious Few Heroes, p.67.
3. See pp.178-180 on this debate within the Glasgow Corporation which raged until at least 1952 when A. J. Jury became City Architect of Glasgow and officially gave the City's approval (as opposed to that of the Scottish Office, or regional approval in the form of the Abercrombie Plan), to the concept of decentralisation - and thus New Towns - as both inevitable and desirable for Glasgow. He also endorsed full co-operation with all overspill agreements with nearby cities.

by 1954 the Glasgow Corporation had changed their attitude completely and were demanding a second New Town (Cumbernauld), which they were given in 1955.

Although the primary objective of housing allocation policy in East Kilbride was to provide housing for those with jobs in the town, rather than to relieve a general housing crisis in the region, the Development Corporation observed that as East Kilbride was so close to Glasgow it would naturally be Glaswegians who were offered jobs there. This line of reasoning was a little facile from the Glasgow Corporation's point of view, because the young and the socially mobile who were offered jobs in the New Towns were very often not the ones in the most desperate need of housing in Glasgow. The Development Corporation's answer was that they were mandated to create self-sufficient new communities, not to house all the 'charity cases' from the nearby slums.

Occasionally, however, a situation arose whereby the Development Corporation of East Kilbride had houses available beyond the waiting list of those with jobs in the town, next priority then being given to families approved as overspill by Glasgow. East Kilbride actually announced housing vacancies on television; in the words of one member of its Development Corporation: "There is a flash on the television and the list has to be closed before it is opened".[1]

Industry in East Kilbride was disproportionately heavy in engineering in comparison to Glenrothes and even (later) Cumbernauld.

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1. Thomas, p.913.

Nevertheless, the industrial structure of East Kilbride was much more evenly based on diverse industries and there was never any fear of East Kilbride collapsing due to closure or cutbacks in one industry, as was to be the case in Glenrothes in the mid-1950's.[1]

(b) Glenrothes

As was the case in East Kilbride, the selection of Glenrothes as a site for a New Town was the outgrowth of a regional plan : Sir Frank Mears' Regional Plan for Central and South-East Scotland. At the conclusion of the Second World War the National Coal Board announced plans to treble the output of the East Fife coalfields, which would employ an additional 6,500 miners. At the time it was felt that these workers should not be housed in purely mining settlements but in a more balanced and diversified community.[2] Hence, the New Town of Glenrothes was designated on the 30 June 1948,[3] on a site just

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1. This section has of necessity been weighted more heavily on housing than on the economic side. Statistics on houses built, jobs and industries located in the New Towns before 1951 are incomplete and often contradictory. Neither the Annual Reports of the Development Corporations of East Kilbride or Glenrothes give detailed analysis of these types of questions (for example one is given the number of houses completed and under construction each year but never the total number, also there are no figures on industries, much less an employment breakdown per industry in the New Town). See, New Towns Act (1946) Reports of the East Kilbride and Glenrothes Development Corporations for the period ending 31st March, 1950, (Edinburgh, H.M.S.O., 1950). Nor do the H.M.S.O. publications on New Towns shed any light on the pre-1951 years, and there are no good or even adequate secondary sources on the Scottish New Towns for these years. Archival research is required to compile these types of statistics.

2. A. G. Champion, K. Clegg and R. L. Davies, Facts About The New Towns A Socio-Economic Digest, (Newcastle, J. and P. Bealls Ltd., 1977), p.243.

3. The New Towns of Britain, p.18.

north of the coalfields which was within easy commuting distance of the pits.[1] There were 1,150 inhabitants on designation date and an initial target goal of 30,000 was set. Through a series of revisions the target goal was raised to 70,000, although in 1975 there were still only 32,000 permanent residents.[2] The greatest migration to East Kilbride (as with the English New Towns) came from within a 10-15 mile radius. At Glenrothes, however, most of the incoming mining families came from distances of at least 40 miles, because the main purpose of the town was to house workers needed in the expanding Fife coalfield, and such labour was simply not available locally.

The Fife mines were expected to make up for the decline of coal production in Lanarkshire, and Glenrothes became the most dramatic example of the tendency among all the New Towns to base the livelihood of the city on a single industry or small number of industries.[3] In the 1950's it almost collapsed due both to its lack of diversified industry and its isolated position even within Fife which lowered the prospects of attracting new industry. It was generally felt at the time that the opening of the Rothes Colliery in 1955, a year earlier than planned, secured the future even if it simultaneously cemented the unbalanced structure of its industrial economy. This assessment was proved wrong. The industrial imbalance was to remain, but the almost total failure of Rothes Colliery for geological reasons ensured that the future was not to be weighted towards coal. Ultimately, some

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1. Champion, Clegg and Davies, p.243.
2. Ibid. and New Towns of Britian, p.18 and Harvie, No. Gods and Precious Few Heroes, p.67.
3. Thomas, pp.932-933.

salvation was provided by electronics, but it remained a one-industry town.[1]

In addition, Glenrothes proved to be one of the worst examples among the New Towns of social isolation. The miners and their families were not only cut off from the rest of society, in terms of physical distance (as were the rest of the New Towns), but they had the added disadvantage of seldom mixing with other workers or their families.[2] Thus, in effect Glenrothes tended to become, in its early days, the 'purely mining settlement' its planners had sought to avoid, and never properly achieved the 'more balanced and diversified community'[3] of the New Town ideal.

(v) Conclusion

The criticisms of the New Towns were many. Inherent in all allocation schemes was an implicit discrimination against all age groups of workers except the young, who were highly sought after by New Town industries. Conversely, this was viewed as the New Towns' contribution to the housing shortage : helping young couples. Nevertheless, there was present a marked exclusion of groups that were not socially mobile - the old, the handicapped and the poor.

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1. Ibid., pp.825-826. In 1962 the Rothes Colliery was closed and the primary function of the town - to house miners - no longer existed. Subsidiaries of various American firms, many of them electronics concerns, first arrived in Glenrothes in 1957. But the future of the electronics firms were far from secure.
2. Golany, p.124.
3. Champion, Clegg and Davies, p.243.

The attraction of New Towns to would-be migrants from the inner-city was certainly adequate housing as much as jobs. The New Towns offered a separate house or flat to each family unit. Single-house dwellings with gardens were the most sought after and, hence, architects were forced to design alternative city lay-outs to counteract the tedium of row upon row of identical houses. But women, especially, who were at first overjoyed to have their own home and garden often found themselves 'trapped' in the New Towns. This was due to several factors : most of the jobs available in the New Town were for men; usually there was only one car per family, which left the woman at home with no means of transportation and nowhere within walking distance to go, since the New Towns were isolated from the cities by a 'green belt' of land; as a very high proportion of residents in the New Towns were young, a great many women were required to stay home with their young children, even if a suitable job was available for them - one of the English New Towns was, in fact, nicknamed 'Pram City'.

The level of New Town rents was prohibitive to very low income peoples who desired to relocate. There was no graduated rent based on aggregate family income in the New Towns until 1966.[1] During the post-war years the rents in the New Towns were much higher than in the local authority area. In the next twenty years, because of rising building costs and interest rates, the cost differential between the two narrowed. But during the immediate post-war years this type of indirect discrimination against the poor was considered to be

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1. Thomas, p.841.

inevitable unless Government subsidies were raised or housing standards lowered. These alternatives appeared counter-productive to the Development Corporations for they were not mandated to construct Government subsidised housing for the impoverished and/or unemployed, per se. Rather, the accepted view of the New Towns was that of a fully modern town designed for workers as an alternative lifestyle from that of the inner-city. Debate on this point raged between the local authority councils, who felt the New Towns should take a greater share in housing low-income peoples, and the Development Corporations throughout the post-war years.

In East Kilbride and Glenrothes, as opposed to the first English and Welsh New Towns, there existed a rental problem unique to Scotland. Under Scottish law the rates were levied on the owner not the occupier (there were very few owner-occupiers in the first New Towns), and the fixed rates were a high proportion of the rent charged. Thus, as an example, for a rent inclusive of rates, of 30s. 0d. a week the Development Corporation received only 12s. 0d., the other 18s. 0d. went to the local County Council. Hence, the rate of rents was exceptionally low in Scotland : the Development Corporation feared to set them any higher as they would not attract sufficient low-income tenents. Also, notably, because the Development Corporation would not have received a significant portion of the increase, they simply set rents at a lower level. The Development Corporations of both East Kilbride and Glenrothes both set their rent levels far below the level needed to balance their books. By the end of the 1950's this imbalance was very striking.[1]

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1. Ibid., p.825.

> In East Kilbride in 1957 the average exchequer subsidy was £56 per dwelling, and the deficiency attributable to housing amounted to another £38 per dwelling; these figures compared with an average rent, exclusive of rates, of £13 per dwelling (that went to the Development Corporation).[1]

Hence, there was never any chance of the Scottish New Towns achieving economic self-sufficiency. Massive debts, such as the one mentioned above began to accumulate during the post-war years.

It would not be out of order to look briefly at the post-1951 developments of the British New Towns. The dramatic slowdown in the construction of additional New Towns post-1951 reflected the change in Government attitude towards the control of industrial location. The Labour Government had adopted a strong policy of steering industry to the Development Areas by means of I.D.C. and other financial incentives, but only two British New Towns were sufficiently developed at this point to benefit from this state encouragement - East Kilbride and Newton Aycliffe in County Durham. Under the Conservative Government of the 1950's there was a relaxation in Government controls on industrial location. This changed again in the late 1950's allowing the construction of advance factories by New Towns again and the allocation of Government financial incentives to industries which would relocate north. A reflection of the favour in which New Towns were held by successive Governments can be seen clearly in the construction dates of additional New Towns; for example, the creation of Livingston and Irving reflected the late 1950's upswing in the Government attitude towards the efficacy of New Towns.

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1. Ibid., p.826.

The question remains : were the post-war years important in the implementation of the New Town scheme? Most of the New Town policy had been drawn up during the 1940-1945 years. Almost all of the New Towns were built post-1951 or at least became economically viable after that date. Nevertheless, at the very least these years were significant, marking one of the first attempts to implement planned control of the industrial population. Beyond this, housing allocation policy - for example - began to cohere during these years. Hence, the immediate post-war years were significant in the establishment of precedent. Also, many of the relatively 'minor' problems of the post-war years, such as lack of jobs for women in the New Towns and the structural imbalance of Glenrothes, became major problems in the next twenty years.

The accepted argument for the existence of New Towns during these years was that it established pockets of prosperity and almost full employment in otherwise depressed areas.[1] But unemployment was generally at minimal levels during these years and by 1951 it was beginning to be correctly questioned whether the right procedure was to create perfect 'new towns', instead of dealing more directly with the problems which made the region in which they were located 'depressed'.[2]

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1. Ibid., p.941.
2. See also, Jacqueline Tyrwhitt, 'Changes in new town policies in Britain 1946-1971', Ekistics, 36 (July 1973), 14-16.

2. Factory Building

(i) Distribution of Industry

There was already, in the post-war years, a tradition in Scotland of Government intervention in regional affairs to determine the location and encouragement of new industry.[1] In 1934 the Special Areas Act had appointed two Special Areas Commissioners, one for Scotland and one for England and Wales. The Commissioners formed trading estate companies with the concomitant aims of granting financial assistance to existing private companies and the building of new factories.[2] These powers were widened in 1945 by the Distribution of Industry Act. In 1947 the Town and Country Planning Act[3] added a further, and perhaps the most effective, control which made necessary the possession of an Industrial Development Certificate (I.D.C.) from the Board of Trade even before a firm could apply for planning permission for any new industrial building or any extension of more than 5,000 square feet. This system reinforced the authority of the national Government in regard to local industrial development. The Board of Trade made use of the I.D.C. system to discourage additional expansion in the comparatively booming south-east of England and the Midlands and to divert new

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1. See Gavin McCrone, Regional Policy in Britain, (London, George Allen and Unwin, 1969).
2. See Report of Commissioner for Special Areas in Scotland 1936-1937, pp.19-20 on the creation of the Scottish Industrial Estates, Ltd.
3. See H. A. Hill and D. P. Kerrigan, eds., Town and Country Planning Act 1947, (London, Butterworth and Co., 1947), p.iii on the interrelation of the previous Town and Country Planning Acts since 1932, written by editors. See also Brand, p.247; Cole, Post-War Condition of Britain, p.368; and Pollard, p.403.

industry, especially foreign firms, into the Development Areas such as the Central Industrial Belt of Scotland.[1]

The Government thus sought to affect the distribution of industry by various means. Development Area policy was implemented through the powers conferred on the Board of Trade by the Distribution of Industry Acts, 1945 and 1950, and on the basis of the Report of the Select Committee on Estimates entitled 'Administration of the Development Areas'. The source of Government planning control was the Town and Country Planning Acts of 1947, which conferred power on the Board of Trade and planning authorities. Building licensing was authorised by the powers conferred on the Ministry of Works by Orders made under Defence Regulations and then was extended by the Supplies and Services Act (1951). Other economic and social policies arose in consequence of enactments and programmes of the Government relating to financial or tariff policy subsidies, transport, housing, etc.[2]

The direction of firms into the Development Area was a mixture of coercion and direction mixed with a dash of incentive and persuasion, which was hoped to appease industrialists deprived to some extent of absolute choice in site selection. This element of regional policy - site selection of new factories - was administered by the Board of Trade in the form of I.D.C's. After 1948 the possession of an I.D.C., which were granted very infrequently by the Board of Trade, was required for any new factory building over a certain maximum square footage outside

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1. Thomas, p.813.
2. Scottish Council (Development and Industry), Report of the Committee on Local Development in Scotland, (Edinburgh, 1952), p.45; subsequently LD15.

the Development Area, after which local planning permission still had to be obtained. On the other hand, if a company wanted to settle in the Development Area they were automatically accepted and it was simply a matter of agreeing on one of the sites within the Development Area proposed by the Board of Trade. In addition, the Government sweetened their proposal by offering various forms of assistance to companies moving within the Development Area, these included : cash grants for investment, favourable tax allowances, training allowances, removal expenses and factories constructed by the Government and leased on advantageous terms.[1] Hence, a firm could settle outside of the Development Area but the Government made it difficult by requiring an I.D.C., local planning permission and withholding the various forms of assistance given to firms within the Development Area - thus Government policy was a mixture of the stick and carrot.

As McCallum points out Government control of location of industry - through the I.D.C. system, rationing of building materials, etc. - was at its strongest from 1945-1947 before the balance-of-payments crisis. As a result, during these years the Development Areas throughout Great Britain gained their greatest share - over 50 per cent of the square footage - of new national industrial development. After 1948 controls were loosened, the building of advance factories[2] in the Development Area stopped, and British Regional Policy expenditure was cut, from

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1. Bannock, Baxter and Rees, pp.21-22.
2. Advance factories were factories built in advance of demand and which were immediately available for a prospective tenent, they could be built not only by the Government but also by local authorities and New Town Development Corporations. Johnston, Buxton and Mair, pp.304-305.

about £12.1 million per annum 1947-1948 to 1948-1949, down to about £6.5 million per annum 1949-1950 to 1950-1951. The stock of war-time factories in the Development Area had by this time been taken over by private enterprise and interregional supply differentials were no longer as important. By this point industrialists were no longer willing to ignore location in their haste to begin production, as had been the case immediately following the war. Hence, the Development Areas' share of approved industrial expansion fell dramatically in the 1948-1951 period, down to about 20 per cent of the national total. In absolute terms, the average annual square footage in the Development Area dropped over 45 per cent, 1948-1951, whereas in the rest of Great Britain it more than doubled. Nevertheless, this figure was, in fact, approximately the Development Areas' share of the national labour force.[1]

Table 1 - New Industrial Building Approved 1945-1951 (annual average during period)

	Development Area		Rest of Great Britain	
Period	Square feet	Percentage of total	Square feet	Percentage of total
1945-1947	15,734,000	51.3	14,949,000	48.7
1948-1951	8,602,000	19.4	35,819,000	80.6

Source: A. J. Odber, E. Allen and P. J. Bowden (1957) Development Area Policy in the North East of England. Newcastle : North East Industrial and Development Association, in Maclennan and Parr, p.8.

1. McCallum, in Maclennan and Parr, pp.8-9.

The primary objective of Development Area policy in Scotland was to restore the health of the large centres of industry.[1] It was held that not until this first objective was achieved could the economies of the rest of the country be secured. Even at this time it was recognised that the disappearance of large scale unemployment following the Second World War was not due entirely, or even principally, to the new Development Area policy. The real change was in the reversal of the fortunes of the staple industries which had begun in the late 1930's.[2]

The inflow of new industry into the Development Area after the war was to some extent attributable to the difficulties attached to development in other parts of the country. Many of these difficulties were the direct result of Government restrictions, which were applied with greatest severity to factory building outside the Development Area. The Government was particularly successful in persuading firms coming from outside Scotland to go to the Development Area, since such firms rarely had strong locational preferences.[3] Although unemployment was at an all-time low during these years, the Development Areas (by nature of their previous history) continued to have the highest levels of unemployment. Thus, the presence of a large supply of unemployed - and also underemployed workers - in the Development Areas was a very real drawing card to incoming firms. A climate of opinion grew up more favourable to the Development Area than the rest of the country, and to the eventual success of a firm locating there. Nevertheless, it would not be correct

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1. See I. and E., 1947, pp.10-14 on actions to promote better distribution of industry.
2. L.D.I.S., pp.30-31.
3. Ibid. See also, I. and E., 1950, p.16.

to credit the inflow of new industry into the Scottish Development Area totally to Government regional policy. Shortages of labour (especially skilled labour), housing and factory space disposed firms to move to the Development Areas without prompting, and at the same time led the Government to steer new firms in that direction if the opportunity arose.[1]

But not all location of industry occurred directly as a result of Government planning. As we have seen the Secretary of State himself was capable of direct action to bring foreign industry to Scotland on his own initiative. This was when Secretary of State McNiel flew down to Sussex on his own chartered plane to get an option to sell from the owner of a plot of land that Tom Watson, magnate of I.B.M., had selected at random as the type of location where he would be willing to open one of his factories. McNiel gained the option from the owner and I.B.M. moved to Greenock.[2] There is another story, this one perhaps apocryphal, which may serve as a further example of a post-war industry entering Scotland without Government planning : an American firm established in a town in the north-east of Scotland claimed that it floated in on the tide of the provost's whisky.[3]

Industrial expansion in the Scottish Development Areas was administered by the Scottish Industrial Estates, Ltd. (S.I.E.). The Scottish Industrial Estates were set up as Commissioners for the Special Areas in Scotland in 1936, in accordance with the wishes expressed by the

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1. T. L. Johnston, N. K. Buxton and D. Mair, Structure and Growth of Scottish Economy, (Buxton, Collins, 1971), p.305.
2. See pp.85-86.
3. Johnston, Buxton and Mair, p.305.

Secretary of State for Scotland at the inaugural meeting of the Scottish Economic Committee of the Scottish Office. The establishment of the Industrial Estates was hoped to attract some of the lighter industries which during the inter-war years went mainly to the South and Midlands of England rather than Scotland. The most important factor in this trend in favour of the South (as demonstrated by the success of the English Industrial Estates of Slough and Welwyn Garden City), was the provision of suitable factories at the English Industrial Estates which were available on lease - this obviated for incoming firms the difficulties and heavy initial expenditure involved in factory construction or purchase. Light industries were to a great extent carried on by small firms who chose to use their monies as working capital, rather than in the purchase or renting of large unsuitable buildings which would require expensive adaptations. These light industries preferred to lease sites already equipped with light, heating and power, where roads and railway sidings were laid out and sewerage and drainage.[1] The lack of such 'advance factories' (factories built in advance of demand) in Scotland was acknowledged to be a deterrent to the attraction of new industry. Hence, the Scottish Industrial Estates, Ltd. was formed, the purpose of which was to be the construction of factories for rent or sale in advance or to meet the known requirements of a particular firm.[2] The Company - The Scottish Industrial Estates, Ltd. - was limited by guarantee and did not have share capital.[3]

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1. Report of the Commissioners for the Special Areas in Scotland for the period 7 July 1936 to 31 August 1937, (Edinburgh, H.M.S.O., 1937), pp.18-20.
2. Alan Gilpin, Dictionary of Economic Terms, (London, Butterworths, 1966), pp.105-106.
3. Report of the Commissioners for the Special Areas in Scotland, pp.19-20.

At the conclusion of the Second World War the overall control of the S.I.E. was transferred from the Commissioner for the Special Areas of Scotland (as had been originally mandated by the Secretary of State for Scotland, and hence the Scottish Office) to the Board of Trade. At the end of the war there already existed one million square feet of developed factory space in the pre-war Industrial Estates at Hillington (Glasgow) and Carfin, Chapelhall and Larkhall (Lanarkshire), providing employment for over 7,000 people. Following the war extensions were made on all these estates, and the creation of many new ones was instigated. These second generation estates included Blantyre and Newhouse in Lanarkshire, Strathleven in Dunbartonshire, Port Glasgow and Cappielow (Greenock) in Renfrewshire, Kilmarnock and Kilwinning in Ayrshire, Carntyre and Queenslie in the Glasgow district and the new estate in Dundee. Work began in the late 1940's on new estates at Coatbridge in Lanarkshire and at Dalmuir, Drumchapel, and Thornliebank in Glasgow.[1] In terms of employment, during the post-war years the larger part of the new factory construction in the Scottish Development Area was undertaken directly by the S.I.E. on behalf of the Government, making it the largest industrial developer in Scotland. The introduction of new firms - whether domestic or foreign, new or relocated - was actively encouraged by the S.I.E.

(ii) Post-War Factory Building

At the conclusion of the war the industrial distribution of the manufacturing industries in Scotland was as follows.

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1. I. and E., 1946, pp.11-12.

Table 2 - Distribution of Manufacturing Industries in the Main Industrial Areas and in the Rest of Scotland

Area	No. of insured persons* in manufacturing industries July 1948 000's	Proportion of total for Scotland %	Proportion of workers engaged in manufacturing industry to all workers in the area %
Glasgow (incl. Lanarkshire, Renfrewshire and W. Dunbarton	425	55.1	46
Edinburgh and Lothians	81	10.5	28
Kilmarnock and N. Ayrshire	45	5.8	41
Dundee	44	5.7	52
Falkirk and Stirling	44	5.7	44
Aberdeen	28	3.6	31
Major Industrial Areas	667	86.4	42
North and North-East (excl. Aberdeen)	21	2.7	19
East (excl. Dundee)	17	2.2	26
Fife	33	4.3	26
Borders	16	2.1	37
South-West	10	1.3	17
West and Islands	8	1.0	14
Rest of Scotland	105	13.6	23
SCOTLAND	772	100.0	38

* Insured under National Insurance Act, 1946

Source: L.D.I.S., p. It should be noted that the division used in this table, 'Major Industrial Areas', is not the same as the Development Areas; for example Aberdeen was not in a Development Area and to have claimed it as a major Industrial Area was possibly hopeful but certainly inaccurate. (This same type of division is in Tables 3, 4, 6 and 7.) Nevertheless, these tables - compiled by the Scottish Council (Development and Industry) - are extremely useful and show the approximate ratio of Development Area : non-Development Area.

Five hundred and fifty-four additional new factories were built between the years 1946 and 1950. Factory building following the war experienced a boom; this had been affected by various factors such as the munitions programmes during the war, then by war-time arrears, and also to some extent by structural change in the post-war economy which occasioned the need to expand exports and hence manufacturing industry.[1] Nevertheless, such rapid growth in the number of new factories was not expected to continue at this high rate past the immediate post-war years into the 1950's - nor did it occur.

Table 3 - Separate New Manufacturing Enterprises Starting Production in the years 1946 to 1950

	No. of new enterprises starting production in				
	1946	1947	1948	1949	1950
Main Industrial Areas	66	124	98	113	59
Rest of Scotland	25	21	16	20	12
SCOTLAND	91	145	114	133	71

Source: L.D.I.S., p.24.

The decline in the 1950 figure continued in 1951 and 1952. There were in fact two spurts in Scottish post-war factory development : one immediately following the war, the other in the late 1940's which was presumably linked both with the prospect of continued demand - especially from overseas - for Scottish goods, and the effects of the Government's

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1. L.D.I.S., p.23.

Development Area policy.[1]

Almost half of the 554 factories established between 1946 and 1950 were started in existing premises and adapted or converted by their owners. This fact was especially significant in Scotland; outside Glasgow and the counties of Lanark, Renfrew and Dunbarton, in which 133 of the 203 new enterprises - nearly two-thirds - were in existing factories. In the areas of Scotland outside the main industrial centres, the number was 74 out of 94 - almost four-fifths.[2]

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1. Ibid., p.24.
2. Ibid.

Table 4 - Distribution of New Manufacturing Enterprises in Scotland, 1946-1950

Area	New manufacturing enterprises started in			
	New factories built with Government aid	Existing premises	New factories built with private capital	Total
Glasgow incl. Lanarkshire, Renfrewshire and West Dunbarton	190	140	21	351
Edinburgh and Lothians	9	15	4	28
Dundee	12	15	3	30
Kilmarnock and N. Ayrshire	9	12	1	22
Falkirk and Stirling	1	15	7	23
Aberdeen	-	2	4	6
Major Industrial Areas	221	199	40	460
North	3	15	2	20
East	1	11	1	13
Fife	1	10	1	12
Borders	-	15	-	15
South-West	1	13	3	17
West and Islands	1	10	6	17
Rest of Scotland	7	74	13	94
SCOTLAND	228	273	53	554

Source: L.D.I.S., p.25.

The adaptation of existing premises, often disused buildings, rather than the construction of new factories, was much more prevalent in Scotland than the rest of Great Britain - there were 500 such undertakings in Scotland in the 1940's. This type of industrial adaptation was named 'colonisation'. One rather colourful example of post-war colonisation was a firm making pyjamas in an abandoned sawmill near Kilmarnock. The most organised colonisation was accomplished by the Border woollen manufacturers who specialised in the 'out-working' schemes for town halls, disused jute mills and other premises, not only in the Borders but also as far away as Arbroath, Bo'ness and Bathgate. There was even one Border firm which made use of a church hall during the week, removing the machinery on Saturday in time for the hall to be ready for its original use on Sunday.[1]

Most of the industrial growth outside the Development Areas was in east central Scotland. This was also the case of the majority of all new factory space completed by 1951, the bulk of which was in Stirlingshire, Clackmannanshire and Edinburgh.[2] The separate new factories built with private capital were generally much smaller concerns than the average. In the Glasgow area a Treasury-assisted enterprise was expected to provide 186 jobs, while the average privately built factory had an expected maximum labour force of 110, and outside the area averages were much lower.[3] The following tables show the striking difference in the amount of Treasury-aided and private building following the war.

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1. 'A New Industrial Revolution in Scotland', Board of Trade Journal 160 (6 January 1951), 2.
2. I. and E., 1951, p.13.
3. L.D.I.S., p.24.

Table 5 - New Factory Building in Scotland, Treasury-Assisted and Private, 1947-1952

5(a) Scottish Development Area

		Treasury-Assisted		Private	
	Number approved	New factories	Extensions	New factories	Extensions
1947	125	45	15	20	45
1948	84	25	6	11	42
1949	122	30	14	15	63
1950	99	19	12	11	57
1951	71	6	4	12	49
1952	49	3	4	2	40
Total	550	128	55	71	296

5(b) Outside Scottish Development Area

	Number approved	New factories	Extension
1947	66	36	30
1948	49	16	33
1949	56	13	43
1950	51	16	35
1951	60	17	43
1952	37	10	27
Total	319	108	211

Source: S.E.C.S., 1949, p.5; 1950, p.5; 1951, p.5; 1952, p.8.

'Immigrant' firms were overwhelmingly attracted to the Glasgow area, presumably due to the Development Area facilities, while there was a much wider distribution of factories constructed by Scottish concerns. Also, a much higher proportion (one-quarter) of entirely new factories were started outside the Development Areas, as compared to branch factories, whether Scottish or non-Scottish. This conspicuous reluctance of both immigrant and larger Scottish firms to settle in non-Development Areas was due in great measure to Development Area policy.

Table 6 - Distribution of New Manufacturing Enterprises (Scottish and non-Scottish), 1946-1950

Area	New manufacturing enterprises started by: Non-Scottish firms	New Scottish firms	Established Scottish firms	Total
Glasgow incl. Lanarkshire, Renfrewshire and West Dunbarton	95	57	199	351
Edinburgh and Lothians	9	4	15	28
Dundee	10	11	9	30
Ayrshire (N. and Central)	5	4	13	22
Falkirk and Stirling	4	8	11	23
Aberdeen	0	1	5	6
Major Industrial Areas	123	95	252	460
North	2	7	11	20
East	2	3	8	13
Fife	0	5	7	12
Borders	0	3	12	15
South West	3	2	12	17
West and Islands	3	8	6	17
Rest of Scotland	10	28	56	94
SCOTLAND	133	113	308	554

Source: L.D.I.S., p.25.

According to the Board of Trade Journal the 'success story' of the 1940's was the attraction of a large number of North American firms to Scotland - the majority of the new industry entering Scotland following the war was from America or Canada. Scotland actually atracted four out of every five North American firms entering Great Britain following the war and by 1951 10,000 Scots were employed in these firms. These were by no means the first North American firms in Scotland : two of Scotland's oldest firms were of American origin - these were Singer's at Clydebank and Babcock and Wilcox at Renfrew. Among the incoming North American firms at this time were National Cash Register Co. Ltd. and U.K. Timex Ltd., both at Dundee; Burroughs Adding Machine Ltd. and Westclox Ltd., both at Leven; and Remington Rand Ltd. at Hillington. These new North American firms contributed substantially to the development of new technology in Scotland and also were responsible for the introduction of improved techniques of management.

But not all of the firms entering Scotland following the war were North American in origin. For example, The M. Wiseman and Company Ltd. of London took over a farm buttery in Mauchline in 1946 and did so well that in 1950 they leased a new factory on the Vale of Leven Industrial Estate near Loch Lomond. The Moffat Hand Loom Weaving Co., from Manchester adapted and occupied a former slaughterhouse in a small Dumfriesshire town - another case of colonisation. Perhaps the most picturesque example was the adaptation by a Norwegian of a building erected many years ago by Lord Leverhulme on the Island of Harris, which became the nucleus of a Hebridean whaling industry.[1]

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1. Board of Trade Journal, p.2.

The new post-war factories provided over 30,000 new jobs to the Scottish economy.[1] Nevertheless, this was a much lower figure than was hoped for. In 1945 it had been estimated that by June of 1951 7.1 per cent of the insured population in Scotland would be employed in jobs created by new, approved post-war enterprises and factory extensions. This figure included both the workers involved in the construction of the new factory space and also those people who would be employed in these firms once completed. But it can be seen from table 7 that the actual figure on 30 June of that year was only 4.5 per cent.[2]

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1. S.E.C.S., 1951, p.5.
2. L.D.I.S., p.26. See also, table 4, p.16 'Changes in the Industrial Population of Scotland 1938-1948'.

Table 7 - Employment in Scotland due to Post-War Manufacturing Development involving Factory Space (as at 30 June 1951)

	Employment opportunities created by all approved new building			
	Potential		Actual at 30.6.51.	
	Persons	% of insured population 1948	Persons	% of insured population 1948
Glasgow (incl. counties of Lanark, Renfrew and East and West Dunbarton)	98,398	10.6	57,817	6.2
Edinburgh (incl. West Lothian)	9,206	3.2	6,584	2.3
Dundee	11,638	13.6	8,618	10.1
Ayrshire (incl. North Ayrshire)	8,468	7.0	6,325	5.2
Falkirk and Stirling	7,072	7.4	5,191	5.4
Aberdeen and North-East	2,624	1.6	1,573	1.0
Major Industrial Areas	137,406	8.2	86,108	5.2
North (excl. North-East)(incl. Highland Development Area)	448	1.0	239	0.5
East (incl. all Perthshire)	1,596	2.1	936	1.2
Fife	2,012	1.7	1,118	0.9
Borders	1,236	2.9	1,000	2.3
South-West (incl. Sanquhar)	3,297	6.8	2,581	5.3
West and Islands	694	1.7	471	1.1
Rest of Scotland	9,283	2.5	6,345	1.7
SCOTLAND	146,689	7.1	92,453	4.5

Source: L.D.I.S., p.26.

Not only was the total percentage of workers employed in some capacity in new post-war industrial enterprises much lower than was hoped, but also the balance was even more in favour of the industrial centres than can be drawn from the above figures on industrial population. Indeed, Glasgow and Dundee, the areas whose industrial populations declined the most between 1938 and 1948, were the same areas in which the greatest amount of factory building was undertaken following the war. New industrial building was concentrated in the Central Industrial Belt (Dumfries was a notable exception), while at the same time in Fife and the East of Scotland new factory building was not in proportion to the growth of the industrial population.[1]

There was a close agreement between the existing pattern of employment and the pattern of labour requirements for new projects. In effect this meant that the new factories were distributed by industry group in much the same proportion as the old.

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1. Ibid.

Table 8 - Industrial Distribution by Industry Group of New Developments, 1937-1951

Industry group	Proportion of manufacturing workers in groups at July 1948 %	Proportion of expected peak labour force in all new industrial developments approved 1937-1951 %
Engineering and Shipbuilding	25.2	22.9
Textiles and Clothing	20.3	17.9
Metals	12.4	12.7
Food, Drink and Tobacco	12.0	6.2
Bricks, Cement, Glass, Chemicals, Rubber and Misc. Manufactures	9.9	9.7
Vehicles	7.6	14.6
Paper and Printing	6.6	2.8
Manufacturers of Wood and Cork	3.9	3.7
Electrical Goods	2.1	9.5

The most striking differences were in electrical goods and the vehicle trade (this included garages, etc. and also aero-engines), which accounted for a much more significant proportion of new building. Several of the light industries such as food, drink and tobacco, and the paper and printing groups were particularly held back by restrictions and shortages of materials.[1]

By the early 1950's there was rebellion against Government influence of site selection. Industrialists began to assert that many firms could not be arbitrarily assigned to fill the most 'needy' Development

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1. Ibid., p.27.

Area. Many firms had to be located in relation to factors such as : demand, availability of labour - especially local skills, materials and general conditions, clean air and water, and cheap electrical supplies; thus, these firms 'chose' their own sites, so to speak. And, indeed, these elements were not always plentiful or even available within a Development Area. Hence, by 1951 many businessmen felt that they had reaped all the advantages they could from a discriminatory regional policy and it was now restricting their industrial growth.[1] Also in 1951 it was admitted that no additional new factories could be established in the Development Areas without attracting labour from existing industry. Therefore, the new Government attitude was not to turn new industry away from the Development Areas completely, but instead to be much more selective[2] and, consequently, to begin to divert a more significant amount of new industry to non-Development Areas.

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1. Ibid., p.38.
2. S.E.C.S., 1951, p.5.

Conclusion

Post-war economic reconstruction in Scotland was determined both by the actions of the Government in London and by those of individual businessmen - but it was the Government that got blamed for any failures. Much of the Government's action in Scotland was effected through the Scottish Office, balancing the demands of national and regional policy. The 1945 Distribution of Industry Act, the Town and Country Planning Act (1947), and the later Distribution of Industry Act (1950) all served to reinforce the power of the Board of Trade in the implementation of regional policy, especially by means of factory building in the Development Area.[1] Thus the effective body for regional policy was in London : the Scottish Office exercised quite considerable influence, but no more.

The first problem that faced the Government after the war was to bring about an effective switch from war-time to peace-time production. That was fairly quickly and smoothly achieved. Two of the other major problems that obsessed the post-war Government in relation to the Scottish economy were employment and housing. Regional policy during these years dealt solely with the eradication of unemployment in the Development Area, thus in effect ignoring many other needy areas of Scotland. A move to counteract this was made when the Development of Industry Act (1950) considerably expanded the amount of land included in the Scottish Development Area to include parts of the Highlands - even though unemployment remained the solitary preoccupation of regional policy into the 1950's. Although unemployment levels were at an all-time low throughout the immediate post-war years of 'full employment', it

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1. Slaven, The development of the west of Scotland : 1750-1960, pp.220-222.

remained a source of concern that the Scottish unemployment level was consistently higher than that of Great Britain as a whole.

There is thus no evidence that regional policy had any success even on its own terms. If the differential in unemployment between the Development Area and the rest of Britain did not disappear, or materially diminish, then the policy failed. The general overall low rate of unemployment (which looks so enviable now) must be attributed to other factors than regional policy. And the further question must also be raised - was the Government right to worry about unemployment *per se* rather than worrying about and planning more effectively for basic changes in the Scottish industrial structure? The need to resume peace-time production for its own sake, and to avoid the tragedies of inter-war unemployment for its own sake, tended to push on to the back burner the no less pressing long-term aim of modernising the entire structure of the economy.

Arguably, there were two things wrong with the Government's housing policy in Scotland - too many resources were put into it too soon, and too much was tried for the most depressed areas. If the money had been used instead to restructure the economy along new lines, and if what housebuilding that was allowed had been concentrated in areas of developing instead of declining industry, then the long-term results all round could have been better. It would have been preferable to put up with the old abuses and horrors in housing for a few more years in order to devote resources and efforts to a new economy better able to afford new housing in an appropriate place and on an appropriate scale. Although, of course, some of the housing in the declining area was so bad that it had to be replaced - if only temporarily.

Housing shortages also directly affected the expansion of the economy; most dramatically it hampered the growth of new or relocated industry, as there was very rarely sufficient housing for the incoming workers and procedures for the allocation of council houses were usually weighted against newcomers.[1] Progress in this area was made by the Scottish Special Housing Association which constructed 'non-traditional' housing for workers until local authorities could adjust to the new enlarged demand for housing. But it was too slow.

Regional policy and housing policy were not, then, an unqualified success, and this fact had serious repercussions for the political climate in which a basic restructuring of the Scottish economy could have taken place. There had been a feeling of expectancy as the war concluded : people not only desired life to be different from war-time, but also markedly better than their pre-war existence. The climate was ripe for effective planning, as was most clearly demonstrated on the regional level by the mandate given to local authorities to produce regional plans. Yet the general public soon tired of the whole notion of planning when there were no immediate tangible results.

Rather unfairly, 'planning' as a notion became confused in the public mind with British 'socialism in action' : and as the beleaguered Labour Government wrestled with shortages, rationing, nationalisation programmes and balance of payments crises, the voters began to associate planning with bureaucratic controls, inefficiency and delay. The Conservatives returned to 'free the nation from socialist red-tape'.

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1. See, Joseph Sykes, 'Some Results of the Distribution of Industry Policy', The Manchester School of Economic and Social Studies, 23 (January 1955), 1-21.

Partly because before 1951 major reconstruction had not been given sufficient priority (as opposed to merely tackling unemployment and housing problems), the very idea of planned reconstruction suffered a setback. Public belief that the economy could be rebuilt by Government planning dwindled into cynicism.

Yet, during these years, the Scots were demanding more control over their own economy. The fear that London did not understand (or care about), the nature of Scottish economic problems[1] contributed to the rise of the Covenant Movement in the late 1940's. This feeling of estrangement had earlier been expressed in the 1945 and 1947 calls by the Scottish Labour Party for an enquiry into the Government's treatment of Scottish matters. These demands were essentially fobbed off by the appointment of a Royal Commission designed to justify the status quo. But if they had not been, the idea of planning might have been given a new lease of life earlier, for some sort of Scottish assembly or elected advisory committee would inevitably have given itself the job of having to devise an economic policy specifically tailored to Scotland's needs.

Along what lines could such a major reconstruction have proceeded? The popular explanation for the long-term fall in Scotland's economic power was that it over-concentrated on 'declining' industries such as shipbuilding. Leser shed some interesting light on this subject in 1948. He pointed out that Scotland differed much less from the rest of Great Britain in its industrial distribution than many of the regions of England and Wales, for example the Midlands, the North of England,

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1. Palmer, p.333.

and Wales. But as Scotland emphasised the very heaviest and very lightest industries (such as textiles) on balance it was in substance weighted much more towards heavy industry. Although there was a fair amount of industrial diversity in Scotland it was on either end of the spectrum. Thus Leser assessed correctly that to facilitate 'full employment' in the long-term what was needed was more 'medium heavy' and 'medium light' industries,[1] such as plastics, chemicals and electronics (which came to Glenrothes in the late 1950's and required engineering technology), all of which were light industries. Earlier and more positive action to encourage restructuring along these lines immediately after the war could, perhaps, have paid better dividends in the long run than the policies actually pursued.

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1. C. E. V. Leser, 'Industrial Specialization in Scotland and in Regions of England and Wales', Yorkshire Bulletin of Economic and Social Research, 1 (December 1948), 30.

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